

WHO HAS A BANK ACCOUNT AND WHO DOESN'T:

1977 AND 1989

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INTRODUCTION

In recent years, many people have expressed concern that the deregulation of banking and subsequent increases in banks' minimum balance requirements and fees on small accounts may have priced basic banking services out of the reach of many low-income households. One way to investigate this allegation is to see whether the percentage of low-income households without bank accounts increased since the early 1980s, when ceilings on the interest rates banks could pay on checking and savings accounts were lifted and restrictions on entry into banking were eased. Glenn Canner and Ellen Maland [1987] conducted such a study using data from 1977 and 1983 surveys of households' asset holdings. They found that about 9 percent of all families in 1977 did not have a deposit account of any kind. By 1983, this number had risen to 12 percent. Those without accounts overwhelmingly tended to be low-income households, and the decline in account ownership between 1977 and 1983 was greatest for these families.¹

Recently released data from a 1989 survey of households' asset holdings enable us to examine whether this decline in the ownership of deposit accounts was merely an artifact of the 1982-83 recession or whether it persisted through the economic expansion of the 1980s. We also investigate some possible explanations for any changes in the pattern of bank-account ownership between 1977 and 1989. In brief, we find that, among households with incomes below \$84,000 in 1991 prices, the percentage of households without deposit accounts of any type increased from 9.5 percent to 13.5 percent between 1977 and 1989. Among households earning \$12,000 or less, the percentage without deposit accounts rose from 29.7 percent in 1977 to 40.8 percent in 1989. A multivariate statistical model indicates, however, that most of the increase in the percentage of households without deposit accounts can be explained by changes in the socioeconomic characteristics of the population and may have had little to do with changes in the pricing of deposit services. Before developing these points, we first briefly explain the characteristics of our data sets and the adjustments we made to the data in our study.²

THE DATA

Our study is based on data from the 1977 Consumer Credit Survey and the 1989 Survey of Consumer Finances, which were conducted by the Survey Research Center at the University of Michigan with the sponsorship of the Federal Reserve Board and other government agencies. The 1977 survey asked detailed questions of 2,563 households, selected to obtain a nationally representative sample, concerning their socioeconomic characteristics and their assets and liabilities. The 1989 survey asked similar questions of 2,843 households.³ In both surveys, a household (or "family") is defined to include the person who holds the title to the home or is first listed on the lease as well as all individuals living in the home related to this individual.

Unlike the 1977 survey, the 1989 survey was conducted in two stages. In the first stage, which comprised about three-fourths of the total sample, households were selected in a manner similar to that of the 1977 sample. In the second stage, covering the remaining one-fourth of the sample, only relatively wealthy households, identified from income-tax records, were surveyed. To compare the results of the 1977 and 1989 surveys, we would have liked to eliminate the households questioned in the second stage of the 1989 survey. However, since the 1989 survey data do not distinguish the households surveyed in the first stage from those in the second, we eliminated from the 1977 and 1989 surveys those households with incomes above \$83,778 in 1991 prices.⁴ This truncation deleted 160 observations from the 1977 data set and 729 observations from the 1989 data set. The remaining observations exhibited a broadly similar distribution of income across the two data sets.

Unlike the 1989 survey, the 1977 survey did not report a household's specific income. Rather, it reported an interval for the household's income, such as "\$5,000 to \$5,999." In our statistical analysis we simply assumed that the household's income was the mid-point of the reported range. Using the consumer price index, we converted all reported incomes into 1991 prices to make them comparable, and henceforth we refer to all household income amounts in these 1991 adjusted prices.

Although the 1977 survey reported racial classifications for the respondents, the 1989 survey simply reported people as being either "white" or "other", where "other" includes people who identified themselves as black, Hispanic, American Indian, Asian, or Pacific Islander. To make the surveys comparable, we converted the 1977 data into the categories "white" and "minority". For simplicity, we also placed all respondents into one of two marital categories, "married" or "unmarried". The term "unmarried" includes people who said they were separated, divorced, widowed or never married. The term "married" includes individuals living with an adult partner. In a final cleaning of the data sets, we dropped observations where the respondent answered that he or she did not know, or that information was not available, in response to questions concerning the family's income; the race, educational attainment, age, or marital status of the family head; the number of children living at home; the employment status of the head of household and spouse; whether

TABLE 1
Characteristics of the Households in the Data Sets

	1977	1989
Number Households	2,025	2,091
Categories as percentage of households:		
Household income (in 1991 \$)		
Up to \$11,969	16.6	21.7
\$11,970-\$21,545	17.2	17.9
\$21,546-\$29,925	15.8	14.1
\$29,926-\$47,875	26.5	23.7
\$47,875-\$83,780	23.9	22.7
Age of household head		
Less than 25 yrs	10.0	4.4
25 to 64 years	73.4	70.4
65 yrs and older	16.6	25.2
Educational attainment of household head		
0 to 8 grades	17.7	14.6
9 to 11 grades	17.5	13.8
High school	32.5	31.6
Some college	17.3	19.5
College degree	14.9	20.6
Race of household head		
Minority	13.9	23.9
White	86.1	76.1
Homeowners	66.9	60.1

Totals of percentages may not add to 100 due to rounding.

or not the home is owned; and whether or not the family has a checking or savings account. Observations with obviously ridiculous responses to any of these questions were also dropped. This process eliminated 378 observations from the 1977 data set and 23 from the 1989 data set, leaving 2,025 families in our "cleaned" 1977 data set and 2,091 in our 1989 data set.

Table 1 presents an overview of the socioeconomic characteristics of the households in the two data sets. One can see that removing households with incomes of more than \$83,780 left the two data sets with roughly equal income distributions. There is, however, a somewhat larger percentage of low-income households in the 1989 data set. The table also indicates that the 1989 survey has a lower percentage of households headed by individuals younger than 25 years old. The other striking change in the composition of the survey groups is the large increase in the percentage of respondents identified as "minority". This is probably largely due to a change in the way the racial data were reported. In the 1977 survey, the interviewer recorded the race or ethnicity of respondents based on his or her own observation.

TABLE 2
Percentages of Households with Checking and Savings Accounts,
by Selected Categories

	Checking		Savings		Either	
	1977	1989	1977	1989	1977	1989
All households	81.0	82.5	77.4	42.9 ^a	90.5	86.5 ^a
Income (in 1991 \$):						
Up to \$11,969	55.2	52.5	50.7	25.8 ^a	70.3	59.2 ^a
\$11,970-\$21,545	70.7	79.1	67.5	37.7 ^a	86.2	85.8
\$21,546-\$29,925	85.0	87.8	76.2	40.8 ^a	93.7	92.5
\$29,926-\$47,875	87.5	95.6	87.3	53.3 ^a	95.9	97.2
\$47,875-\$83,780	96.7	97.1	92.8	53.9 ^a	99.6	98.3 ^a
Age:						
Less than 25 yrs	72.3	64.1 ^b	73.3	28.3 ^a	88.6	70.7 ^a
25 to 64 years	83.4	81.5 ^b	78.8	46.1 ^a	91.4	85.6 ^a
65 yrs and older	76.0	88.6	73.6	36.8 ^a	87.8	91.8
Education:						
0 to 8 grades	62.7	62.3	60.7	25.6 ^a	76.9	69.8 ^a
9 to 11 grades	69.9	70.9	69.6	33.6 ^a	83.9	77.2 ^a
High school	86.2	81.7 ^a	81.0	45.3 ^a	94.1	85.8 ^a
Some college	88.6	91.9	84.3	50.4 ^a	97.1	94.3 ^a
College degree	96.0	97.2	90.4	50.9 ^a	99.0	98.4
Race:						
Minority	52.1	56.6	63.1	33.8 ^a	71.6	65.8 ^a
White	85.7	90.7	79.7	45.8 ^a	93.6	93.0

^a The hypothesis that the percentage in the category stayed the same or increased from 1977 to 1989 can be rejected at a 5 percent significance level.

^b The hypothesis that the percentage in the category stayed the same or increased from 1977 to 1989 can be rejected at a 10 percent significance level.

In the 1989 survey, the respondents were asked to report their own race or ethnicity. We suspect that the 1977 surveyors classified many Hispanics as "white".⁵

TRENDS IN ACCOUNT OWNERSHIP

In this section we investigate trends in the ownership of deposit accounts, which include accounts at banks, savings and loans, savings banks, and credit unions. For simplicity, we will call all such deposit accounts "bank" accounts, where bank is used in its generic sense. In addition, we will use the term "checking account" to refer to any type of account on which checks can be written, including money market accounts.⁶ Savings accounts include passbook accounts, share accounts, Christmas Club accounts, and any other type of savings account.

Table 2 presents an overview of bank-account ownership trends, broken down by household socioeconomic categories.⁷ Among all households, there was a slight increase in checking-account ownership between 1977 and 1989 and a large fall in savings-account ownership. This trend also holds across most socioeconomic categories with a few exceptions. Among households with the lowest income and education levels there was a slight decline in checking-account ownership between 1977 and 1989, but the changes are not statistically significant. More salient are differences across age groups. Among households headed by individuals older than 64 there was a marked increase in the percentage with checking accounts while there was a decline among younger households, perhaps reflecting differences in the economic well-being of these age groups over the 1980s. In any case, the general shift from savings accounts to checking accounts was undoubtedly due to regulatory changes. In 1977, government regulations did not permit banks to pay interest on checking accounts. In the early 1980s, this restriction was lifted. Subsequently, interest rates on checking accounts rose to approximate those on savings accounts, greatly diminishing the incentive for consumers to maintain a savings account in addition to a checking account.

Because changes in bank regulations led to a general shift from savings toward checking accounts over the 1980s, it is more revealing to avoid the complications caused by this shift and, rather, to analyze trends with respect to account ownership of any type. These trends are shown in the final two columns of Table 2.⁸ Among all households, the percentage with deposit accounts of any type fell from 90.5 percent in 1977 to 86.5 percent in 1989. This change was not, however, evenly distributed across socioeconomic categories. Among some groups, such as households headed by individuals older than 64, the percentage with bank accounts increased. In other groups, there were only slight changes. However, for households with less than \$11,970 in income, the percentage with bank accounts fell from 70.3 percent in 1977 to 59.2 percent in 1989. Statistically significant decreases were also found among households headed by individuals younger than 65, with less than 4 years college education, or headed by a member of a racial or ethnic minority.

Table 3 contrasts some general characteristics of households with and without bank accounts. On average, households without bank accounts have lower incomes and more children than those with bank accounts and they are more likely to rent their homes. They are also more likely to be headed by an individual who is unmarried, unemployed, a racial or ethnic minority, female, or has not completed high school. In 1977, the difference between the average age of household heads from families with accounts and those without was not statistically significant. In 1989, the average household head of families with accounts was older than those without accounts.

These statistics suggest that no one characteristic, such as income, fully determines the likelihood that a household will have a bank account. This point is emphasized in Table 4, which examines account ownership among categories of households with less than \$11,970 income. As shown in the last column of the table, 59 percent of such households in 1989 had bank accounts, but there was much

TABLE 3
Selected Characteristics of Households and Heads of Households With and Without Deposit Accounts
(Mean Values)

	Has Account 1977	Does not Have Account 1977	Has Account 1989	Does not Have Account 1989
Number of households	1,833	192	1,809	282
Income (1991 \$)	34,748	15,375 ^a	34,214	12,738 ^a
Number children	0.92	1.3 ^a	0.67	1.0 ^a
Percent of homeowners	70.0	36.5 ^a	65.7	24.1 ^a
Characteristics of heads of household				
Age	45.2	46.7	51.0	45.5 ^a
Years education	12.0	8.8 ^a	12.6	9.9 ^a
% married	69.2	46.4 ^a	62.2	34.4 ^a
% employed	71.4	47.9 ^a	67.8	43.3 ^a
% minority	11.0	41.7 ^a	18.2	60.6 ^a
% male	79.4	58.9 ^a	74.0	51.4 ^a

^a The hypothesis that the mean for households with deposit accounts, in the specified year, is the same as the mean for households without deposit accounts can be rejected at a 5 percent level of statistical significance.

variation across different categories. For example, only 33 percent of low-income households headed by unmarried females with children or headed by unmarried minorities of either sex had bank accounts, but 82 percent of low-income households headed by unmarried white females had accounts.

Regression analysis enables us to sort out the independent statistical association between different household characteristics and the likelihood of having a bank account. Table 5 reports the results from cross-sectional probit regressions where the dependent variable is 1 if the household has an account and 0 if it does not. The results using the data from the 1977 survey and the 1989 survey are quite similar. Controlling for variations in the other right-hand-side variables, households that are more likely to have accounts are those with higher incomes, fewer children, living in homes they own, and with heads of household who are older, better educated, white, and employed. The gender of the household head cannot be said with much statistical confidence to be either positively or negatively associated with the likelihood of having a bank account. The estimated coefficient on marital status is not statistically significant in 1977, but is statistically significant in 1989 at a 10 percent significance level. In interpreting these results, we suspect that some of the variables, such as homeownership or the age and racial or ethnic category of the household head, are correlated with account ownership primarily because they are linked to family wealth.

TABLE 4
Ownership of Deposit Accounts by Households (HHs)
with less than \$11,970 Income (in 1991 \$)

	Number HHs in category 1977	% HHs with account 1977	Number HHs in category 1989	% HHs with account 1989
All Households	337	70.3	453	59.2
Married head of HH				
White	79	64.6	61	70.5
Minority	15	53.3	36	50.0
No children at home	58	69.0	56	69.6
With children	36	52.8	41	53.7
Unmarried head of HH				
Male head				
White	48	83.3	44	70.5
Minority	9	55.6	30	33.3
No children at home	52	82.7	71	54.9
With children	5	40.0	3	66.7
Female head				
White	151	80.1	150	82.0
Minority	35	34.3	132	32.6
No children at home	137	79.6	204	68.6
With children	49	59.0	78	33.3

The reported slopes in Table 5 measure the implied effect of a one-unit change in the relevant independent variable on the probability that a household has a bank account, where these marginal effects are calculated at the means of the right-hand side variables. If, for example, an average household in the 1989 survey were headed by a minority rather than a white, the predicted probability that the household has a bank account would be lowered by about 6 percent. Similarly, if one were to know that an average 1989 household had an income of \$38,000 rather than \$28,000, this would raise the predicted probability of account ownership by about 2 percent.

The relatively large increases between 1977 and 1989 in the percentage of households without bank accounts among low-income households and households headed by young, less-educated, or minority individuals need to be explained. The two main competing theories are that increases in bank minimum balance requirements and fees on small accounts caused the change or that shifts in the socioeconomic characteristics of the population caused the change.⁹ One way to measure the relative importance of these two factors is to use the coefficient estimates from the probit regression on the 1977 data and the data on the socioeconomic characteristics of the households in the 1989 survey to predict the percentage of households with

TABLE 5
Probit Regressions Where Dependent Variable is
Ownership of a Deposit Account
(t-statistics are in parentheses)

	1977 coeffs	Implied slope	1989 coeffs	Implied slope
Constant	-1.06 (3.3)		-2.20 (6.8)	
Income (thousands 1991 \$)	0.030 (6.9)	0.002	0.025 (6.8)	0.002
Married	0.127 (0.8)	0.008	0.235 (1.7)	0.023
# children	-0.131 (3.6)	-0.009	-0.084 (2.0)	-0.008
Age of HH	0.006 (1.7)	0.0004	0.021 (6.3)	0.002
Education of HH	0.121 (7.4)	0.008	0.128 (7.7)	0.012
Male HH	-0.078 (0.5)	-0.005	-0.114 (0.9)	-0.011
Minority	-0.750 (6.8)	-0.050	-0.600 (6.5)	-0.058
Employed	0.186 (1.6)	0.012	0.402 (3.6)	0.039
Home owner	0.520 (4.7)	0.035	0.522 (5.3)	0.051
Log-likelihood	-430.7		-526.0	
Chi-squared stat. (H_0 : All coefficients except constant equal zero)	408		602	
N	2,025		2,091	
% in sample correct predictions	91		90	

TABLE 6
Predicted and Actual Percentage of
Households with Deposit Accounts in 1989 by
Socioeconomic Categories

	Actual	Predicted
All households	86.5	85.6
Household income (in 1991 \$)		
Up to \$11,969	59.2	54.7
\$11,970-\$21,545	85.8	85.0
\$21,546-\$29,925	92.5	90.5
\$29,926-\$47,875	97.2	98.4
\$47,875-\$83,780	98.3	99.6
Age of household head		
Less than 25 yrs	70.7	69.6
25 to 64 years	85.6	86.5
65 yrs and older	91.8	85.8
Educational attainment of household head		
0 to 8 grades	69.8	65.9
9 to 11 grades	77.2	71.3
High school	85.8	86.1
Some college	94.3	97.1
College degree	98.4	97.7
Race of household head		
Minority	65.8	67.2
White	93.0	95.5

bank accounts in 1989.¹⁰ If fewer households have bank accounts in 1989 than predicted, the difference could be due to changes in bank fees and minimum balance requirements.

Table 6 presents the results from such an exercise. The results indicate that changes in the socioeconomic conditions of the surveyed households can alone explain the decline in account ownership between 1977 and 1989. Since there is always some uncertainty about the correct specification of a regression model and the estimated coefficients, the results do not rule out the view that changes in regulations and bank policies contributed to the decline in account ownership.¹¹ They do, however, indicate that across most categories of the population one would have expected a decrease in the percentage of the population using banks close to the observed magnitude, simply on the basis of changes in the socioeconomic conditions of the households.

Table 7 presents further evidence that changes in bank fees and minimum balance requirements were probably not the most important factors behind the decline in account ownership. The 1989 survey, but not the 1977 survey, asked people who did not have checking accounts to identify the most important reason

TABLE 7
Reasons Offered by Households for Why They
Do Not Have a Checking Account^a

	Full Sample	Income Below \$11,970 (1991 \$)	Income Above \$21,545 (1991 \$)	Minority Head of Household	White Head of Household
Number of respondents	282	185	44	171	111
	Percent of respondents answering				
Don't write enough checks to make it worthwhile	31.6	32.4	29.6	29.2	35.1
Don't have enough money	27.0	34.6	9.1	34.5	15.3
Do not like dealing with banks	13.1	9.7	20.5	7.6	21.6
Service charges are too high	7.8	5.4	15.9	7.0	9.0
Minimum balance is too high	7.1	4.3	13.6	9.9	2.7
Can't manage or balance a checking account	5.3	5.4	6.8	5.3	5.4
No bank has convenient hours or location	1.1	0.5	4.6	0.6	1.8
Other	7.1	7.6	6.8	5.9	9.0

Totals may not add to 100 percent due to rounding.

^a The table shows the distribution of responses of households in the 1989 survey without a checking or savings account to the request: "Looking at this list, please tell me which is the most important reason (you don't/your family doesn't) have a checking account."

from a list of potential reasons for why they did not have a checking account. Table 7 reports the results for households without deposit accounts of any type. As indicated in the first column, the most common responses people gave were that they do not write enough checks to make owning a checking account worthwhile or that they do not have enough money. About 15 percent of the respondents said that they do not maintain a checking account because of bank fees or minimum balance requirements. Inconvenient banking hours or locations were cited by less than 2 percent of the respondents.

Breaking down the responses by the socioeconomic categories of the households shows some interesting patterns. Not surprisingly, a much higher percentage of households with incomes below \$11,970 responded that they did not have a checking account because they "Don't have enough money" than did households with incomes above \$21,545. Individuals in the latter group were more likely to attribute their decision to minimum balance requirements, service fees, or their distaste for inter-

acting with banks. When the respondents are divided by race or ethnic group, one notices that a larger percentage of minority respondents attribute their decision to minimum balance requirements and a lack of money than do white respondents.

Care should be taken in interpreting these responses, for it is impossible to know how the respondents understood the selected responses. For example, the answer, "Don't have enough money," could have meant to some respondents, "In view of minimum balance requirements and fees on small accounts, I don't have enough money to make it worthwhile to own an account." The response, "Don't write enough checks to make it worthwhile," could also have various interpretations. Despite the uncertainty in interpreting the responses, they do support the notion that limited financial savings and infrequent use of checks are the major reasons most people choose not to use banks' deposit or payment services.

CONCLUSION

We conclude that the 1977-89 decline in the percentage of households with deposit accounts can be explained by a wide range of socioeconomic changes that reduced the financial wealth of segments of the population, lessening their need for banks' deposit services. Unfortunately, satisfactory data on household wealth that could corroborate this interpretation are not available prior to 1983. However, the Federal Reserve Board's 1983 Survey of Consumer Finances found that, among families with incomes of \$10,000 or less (in 1989 prices), the median household net worth was \$3,800 [Kennickell and Shack-Marquez, 1992]. In the 1989 survey, this had fallen to \$2,300. This change is particularly striking when one considers that 1983 was the trough of a serious recession and 1989 was the peak of a business cycle. The data also show that the median net worth of all families in the United States increased from \$43,000 in 1983 (in 1989 prices) to \$47,000 in 1989, but the median net worth of minority families fell from \$6,900 in 1983 to \$4,000 in 1989.

The concern that banks' payment and deposit services have been priced out of the reach of many low-income households has prompted legislative proposals to set limits on some deposit account fees and minimum balance requirements. While this paper does not address all of the motives behind these proposals, our analysis suggests that the enactment of such "basic" or "lifeline" banking legislation would be likely to have only a modest impact on the ownership of deposit accounts. A significant broadening of account ownership will depend on socioeconomic changes that increase the wealth of those without bank accounts.

NOTES

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1. Although these trends are consistent with the charge that changes associated with the deregulation of banking discouraged many people from using bank services, Canner and Maland noted that other factors, such as demographic changes, could also explain the trends.
2. More detailed information is provided in a data appendix available from the authors on request.
3. The survey actually sampled 3,143 families, but only 2,843 of these observations were included in the data set made available to the public.
4. This number was chosen because it is equal to \$35,000 in 1976 prices, one of the cut-off points in specifying the income of households in the 1977 survey.
5. The Bureau of the Census reports that the percentage of the resident population classified as "white" declined from 83.1 in 1980 to 80.3 in 1990 [U.S. Department of Commerce, 1992, Table 16]. People of Hispanic origin, who can be of any race, were 6.4 percent of the population in 1980 and 9.0 percent in 1990.
6. The 1989 survey data did not clearly distinguish between money market accounts used as checking accounts and other money market accounts. In practice, however, it makes no difference for our results whether we count money market accounts as checking accounts or not since only one household out of 283 without deposit accounts held a money market account.
7. The surveys attempted to obtain nationally representative samples, so the percentages of households without bank accounts in the samples should reflect the percentages in the U.S. population. There are, however, several potential reasons that this may not hold, including inaccurate survey responses, nonresponses to particular questions, refusals to participate in the survey, and sampling errors.
8. The numbers reported in Table 2 for 1977 agree with those reported by Canner and Maland [1987], once one adjusts for the truncation of the sample at household incomes greater than \$84,000. The numbers for 1989 are close, but do not exactly agree with the numbers reported by Kennickell and Shack-Marquez [1992]. Two factors probably account for the differences. First, the data set they use has more observations than the one available to the public. Second, they use a sophisticated weighting scheme to correct for potential biases introduced by nonresponses or refusals to participate in the survey. Although they make the weights available to the public, we did not use them because similar weights were not developed for the 1977 survey.
9. The U.S. General Accounting Office (GAO) [1987] conducted an extensive study of changes in banks' and savings and loans' fees on deposit accounts between 1977 and 1985. In the study, the GAO surveyed 1,662 banks and thrifts between August 1985 and March 1986, requesting data on account fees and policies in 1977 and 1985. It had a 67 percent overall response rate with fewer banks answering the questions concerning their 1977 policies. Based on these data and assumptions about the banking behavior of typical consumers, the GAO concluded that between 1977 and 1985 banks and thrifts increasingly charged account maintenance fees or required a minimum balance to avoid the fees. It found that consumers who paid fees to maintain non-interest bearing checking accounts in 1977, i.e. mostly those with relatively small balances, generally paid from \$22 to \$37 annually in fees, in 1985 prices. By 1985, these consumers were generally paying from \$41 to \$57 annually to maintain such accounts.
10. Robert Avery and Gregory Elliehausen [1986] used this general approach in an analysis of changes in checking-account ownership between 1977 and 1983.
11. The probit model estimates the probability that a household will have an account. In generating the 1989 predictions, we assumed that all households with a probability above a certain threshold level would have an account, where the threshold level was set to predict correctly the percentage of households in 1977 with accounts [Greene, 1992, 652]. To obtain a rough indication of the forecast uncertainty arising from the uncertainty associated with the estimated coefficients, we generated a set of 1989 predictions by changing, one at a time, the 1977 probit coefficients one and two standard

deviations from their estimated values. While the original coefficient estimates imply that 85.6 percent of households in 1989 would have had deposit accounts (Table 6), varying the coefficients by one standard deviation generates predictions ranging from 79.7 percent to 90.7 percent. Varying the coefficients by two standard deviations results in predicted levels of account ownership ranging from 71.8 percent to 94.3 percent. Finally, we note that the predictions would be biased toward predicting a decrease in account ownership to the extent that the percentage of minority households in the 1977 sample was understated.

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