

# EXPERIENCES OF DISCRIMINATION AND FINANCIAL WELL-BEING IN NATIVE COMMUNITIES

SEPTEMBER 22-30, 2023

## Background

In September 2023, NEFE fielded a survey of 750 individuals who identify as Native or Indigenous American, including Native Hawaiian and Alaska Native, in order to better understand their attitudes and experiences related to their financial lives. This summary document reports key findings from survey questions focused on Native experiences of perceived bias or discrimination in financial services and on select measures of financial well-being.

## Key Findings

### How do Native respondents identify?

Native identity, like any racial or ethnic identification, can be complex. We wanted to respect this complexity by providing respondents with a range of potential options to express their identity.

#### How do you identify?

- “American Indian or Alaska Native” was the top response (87%) while 13% identified as “Native Hawaiian.” Also, 20% identified as White, 8% identified as Black/African American.
- 11% of respondents identify as being of Hispanic, Latino, or Spanish origin, including 7% of Mexican, Mexican American, or Chicano origin, 3% of Puerto Rican origin, and 1% of another Hispanic/Latino origin.
- When asked to identify themselves more specifically, 73% chose “American Indian,” 21% “Indigenous American,” and 11% as “Native Hawaiian.” Five percent of respondents identify as “Alask Native” and six percent as “First Nations/Inuit.”

**What is your age?**

- The age breakdown of respondents is: 18-29 years old (26%); 30-44 years old (28%); 45-59 years old (24%); and 60+ years old (21%).

**What is the total household income from everyone in your family?**

- The household income breakdown of respondents is: < \$30,000 (38%); \$30,000-\$60,000 (31%); \$60,000-\$100,000 (17%); and >\$100,000 (11%). Three percent chose not to answer.

**Which of the following best represents how you think of yourself?**

- The sexual orientation breakdown of respondents is: straight/heterosexual (82%); gay or lesbian (3%), pansexual/bisexual/fluid (8%); questioning or unsure (1%). Three percent chose another identity and three percent preferred not to answer.

**What is your gender identity?**

- The gender identity breakdown of respondents is: male (48%); female (48%); transgender, gender nonconforming, or non-binary (2%).

**Do you live in an urban, suburban, or rural area?**

- The living situation is: urban (26%); suburban (33%); rural (37%); and three percent chose not to answer.

**Do you currently live on or near (within 50 miles) of a Native American reservation, Hawaiian Homestead, or Alaska Native Village?**

- The proximity to a tribal land breakdown of respondents is: on or within 50 miles (37%); more than 50 miles (50%); and three percent chose not to answer.

**Experience of bias or discrimination in the financial services sector.****Have you ever experienced bias, discrimination, exclusion by or from organizations, institutions, or individuals within the financial services sector?**

- 33% of survey respondents say that they have experienced bias, discrimination, or exclusion by or from institutions and individuals within the financial services sector. This includes experiences seeking services related to banking, saving, lending, credit, insurance, taxes, financial planning, financial counseling, and housing.

- A majority of respondents (52%) say that they have not experienced bias, discrimination or exclusion in seeking these financial services, while 15% say they are not sure if they have had this experience.
- A majority of Native American respondents who identify as Black (58%) say they have experienced bias or discrimination in seeking financial services, while 48% of those identifying as Hispanic/Latino, and 45% of those that identify as LGBTQ+ also had this experience.
- 40% of respondents who live within 50 miles of a Native American reservation, Hawaiian Homestead, or Alaska Native Village say they had experienced bias, discrimination, or exclusion in seeking financial services.

**What parts of your identity or personal circumstances, if any, do you feel caused you to experience bias, discrimination or exclusion by or from organizations, institutions or individuals within the financial services sector?**

- 30% of respondents say they believe their race/ethnicity caused them to experience bias, discrimination or exclusion when seeking financial services. Among Native respondents who also identify as Black, 62% say their race/ethnicity was the cause of bias, compared to 44% of respondents who also identify as Latino.
- 27% identified their age as the cause of their feeling bias or discrimination when seeking financial services, including 63% of respondents who identified as current students and 60% of those who identify as Black.

**Have you ever experienced discrimination, bias, or an unfair experience within the following areas that impacted your financial life (banking, credit, lending, tax filing, housing, and insurance)?**

- One in five respondents say they experienced discrimination, bias, or an unfair experience related to credit (23%) and housing (22%, inclusive of renting as well as home purchase/ownership).
- 18% of respondents say they experienced discrimination related to lending while 17% had this experience related to banking services.

## A more nuanced picture of financial well-being.

One of NEFE's goals with this deep dive into the financial lives of Native community members is to gain a more wholistic, if still limited, understanding of their financial well-being. We approached this task by asking Native respondents how much they agree or disagree with a series of statements related to how their financial situation makes them feel, how finances relate to their perception of

their place within their community, and what they believe about their financial future. Results from these questions include:

**Regardless of my financial situation, there are people who appreciate me as a person:**

- 70% of survey respondents agree, including 43% that said they “strongly agree.” 70% of survey respondents agree, including 43% that say they “strongly agree.”

**I can succeed financially if I put my mind to it:**

- 54% agree that they can succeed financially if they put their mind to it. Respondents with higher household incomes (>\$100k) were the most likely to agree (77%).

**My financial situation helps me feel optimistic about my future:**

- One-third agree that their financial situation helps them feel optimistic about their future. Of those who say they had experienced bias/discrimination in the financial services industry were nearly twice as likely to say they “strongly disagree” with this sentiment (27% - 14%).

**When I think of my current financial situation, I feel that my life is going well:**

- 30% of respondents agree that when they think about their financial situation, they feel their life is going well. Twice as many respondents say they strongly disagree with this statement than say they strongly agree (20% vs. 10%).

**How would you rate the quality of your financial life?**

- 39% of respondents say that the quality of their financial life is “worse than they expected” it to be, while 17% say that it was “better than they expected” and 38% that it was “about what they expected” it to be.
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## Native community members face real barriers to financial inclusion.

### Do you or anyone else in your household have a checking or savings account?

- 17% of respondents are unbanked – defined as neither the respondent nor any members of their household owning a bank account. This is much higher than the number of estimated unbanked households nationwide (between 3-4%)<sup>1</sup>.

### In the past 12 months, did you or anyone else in your household use any of the following services from somewhere other than a bank or credit union?

- 30% of respondents say that, in the past 12 months, they cashed a check somewhere other than a bank or a credit union.
- 20% say that they used a money transfer service like WesternUnion, MoneyGram, or Walmart Money Center over the same time period.
- Ten percent say that they took out a payday or payday advance loan in the last year.

### Do you use any online payment services with an account feature that allows you to receive and store money in the account? Examples are PayPal, Venmo, and Cash App.

- 68% of respondents overall say they use these services, including 62% of unbanked respondents.

## Full Methodology

This survey was conducted from Sept. 22-30, 2023, by SurveyUSA on behalf of NEFE. SurveyUSA interviewed 750 adult Indigenous Americans from across the entire United States. For purposes of this research, Indigenous Americans were defined as those who identify as American Indian, Alaskan Native, Native Hawaiian, or Other Pacific Islander. This research was conducted online using a blended sample, mixed mode approach. 86% of respondents were online panelists chosen randomly by Lucid Holdings LLC of New Orleans, who were shown the survey questions on the display of their smartphone, laptop, or tablet. 14% of respondents were texted on their cell phones by live operators who secured the cooperation of each respondent before linking them to an online survey, using telephone sample of Indigenous Americans purchased from Aristotle in Washington DC. The pool of adult respondents was weighted to US Census targets for gender, age, ethnicity, education, and home ownership.

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<sup>1</sup> FDIC 2021 survey of unbanked

**SurveyUSA** is an independent, non-partisan, apolitical research company that conducts opinion surveys for media, academic institutions, commercial clients, non-profits, governments, agencies, and elected officials. SurveyUSA opinion research is conducted using a methodology optimized for each particular project. On research completed prior to 12/31/16, SurveyUSA assigned to each question within the instrument a theoretical margin of sampling error. Effective 01/01/17, SurveyUSA assigns to each question within the instrument a credibility interval, which better reflects the sampling uncertainties associated with gathering some percentage of respondent answers using non-probability sample. Though commonly cited in the presentation of research results, “sampling error” is only one of many types of error that may influence the outcome of an opinion research study. More practical concerns include the way in which questions are worded and ordered, the inability to contact some, the refusal of others to be interviewed, and the difficulty of translating each questionnaire into all possible languages and dialects. Non-sampling errors cannot be quantified. Questions about SurveyUSA research can be addressed to: [editor@surveyusa.com](mailto:editor@surveyusa.com).

## A Note about Reading the Report and Data Supplement

The percentage of respondents has been included for each item. Percentages may not always add up to 100% because of computer rounding or the acceptance of multiple responses. Additionally, the use of small bases were utilized when aggregating for these categories, making most comparisons ineligible for significance testing.