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Minority Depository Institutions (MDIs): Examining their support for low-income homeowners and the implications for underserved communities

Minority Depository Institutions (MDIs) are unique banks and credit unions that provide financial services to many underserved communities. Despite their crucial role in promoting financial inclusion, the number of MDIs has declined significantly in recent years. This decline—coupled with a growing body of literature illustrating their positive impact—has spurred renewed interest from the public and private sectors about how to support MDIs. We contribute to this literature by leveraging proprietary data on over 400,000 credit cardholders to explore rates of homeownership among MDI and non-MDI customers. We analyze homeownership because it has proven to help build wealth and drive other positive socioeconomic outcomes, especially among low- and moderate-income (LMI) and minority individuals. Our results reveal that low-income individuals served by MDIs are more likely to own a home than those served by non-MDIs. Moreover, we find that the gap in homeownership between MDI and non-MDI customers is wider among Black and Hispanic Americans. Although our findings do not imply a causal relationship between using an MDI credit card and becoming a homeowner, they suggest that MDIs may help low-income customers purchase and retain a home. In doing so, MDIs provide opportunities for their customers to build wealth, maintain financial stability, and pass additional benefits along to their families and communities.

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Introduction

Minority Depository Institutions (MDIs) are unique banks and credit unions that provide financial services to many underserved communities. According to recent research, 25 percent of MDI bank branches are the sole physical bank presence in their ZIP code, and 45 percent are located in areas considered to be socially vulnerable (Barr & Romer, 2023; Cetina et al., 2022). Similarly, MDI credit unions serve customers with lower wealth and more volatile incomes on average (Dopico, 2016).

Despite their crucial role in promoting financial inclusion, the number of MDIs has declined in recent years. Over the past decade, the number of MDI banks has declined by 15 percent and the number of MDI credit unions has declined by 36 percent (Elam et al., 2023; FDIC, 2023; NCUA, 2023).[1] Although this decline reflects broader trends in the financial services industry, it is also driven by resource constraints faced by many MDIs. According to Urban Institute, only 50 percent of Black American MDI credit unions offer online banking, compared to 83 percent of non-MDI credit unions (Neal et al., 2023). These circumstances have spurred renewed interest among the public and private sectors in supporting MDIs, backed by a growing body of literature that illustrates their positive impact and the risks involved in their decline.

In this study, we build upon this literature by exploring MDIs' contribution to the long-term wealth and financial stability of their customers. Leveraging proprietary data on over 400,000 credit cardholders, we explore rates of homeownership among MDI and non-MDI customers. We analyze homeownership because it has proven to help build wealth and drive other positive socioeconomic outcomes, especially among low- and moderate-income (LMI) and minority individuals (Herbert & Belsky, 2006; Yun & Evangelou, 2016).

Our analysis reveals that low-income individuals with credit cards issued by MDIs are more likely to own a home than those with cards issued by non-MDIs. We find that 42.5 percent of MDI customers in our sample with an annual household income of less than $35,000 own a home, compared to 41.2 percent of non-MDI customers—meaning MDI customers are 3.1 percent more likely to own a home. This discrepancy is even greater among the Black and Hispanic Americans in our sample. Among Black Americans, we observe homeownership rates of 49.9 percent for MDI

1. This decline has been steeper among Black American and Hispanic American MDIs. Over the past decade, the number of Black American MDI banks has declined by 18 percent and the number of Hispanic American MDI banks has declined by 29 percent (Elam et al., 2023; FDIC, 2023).

customers with an annual household income of less than $35,000, compared to 45.7 percent for non-MDI customers within this income bracket—meaning MDI customers are 9.2 percent more likely to own a home.

For LMI and minority individuals, becoming a homeowner can be especially impactful. According to the National Association of Realtors (2023), minority individuals are significantly less likely to be homeowners, with only 44 percent of Black Americans and 50.6 percent of Hispanic Americans owning a home—compared to 72.7 percent of White Americans. And for many LMI and minority homeowners, "housing wealth is total wealth"—meaning they do not possess other significant assets (Boehm & Schlottmann, 2004). Additionally, recent increases in homeownership among Black Americans and Hispanic Americans were shown to help to drive wealth growth during the COVID-19 pandemic (Aladangady et al., 2023).

Our findings do not imply a causal relationship between using an MDI credit card and becoming a homeowner. Nonetheless, they suggest that MDIs may help low-income customers purchase and retain a home. In doing so, MDIs provide opportunities for their customers to build wealth, maintain financial stability, and pass additional benefits along to their families and their community.

MDIs in context: Definition, history, and impact

The FDIC (2021) defines MDI banks as "any federally insured depository institution where 51 percent or more of the voting stock is owned by minority individuals" or "a majority of the Board of Directors consists of minority individuals and the community that the institution serves is predominantly minority." Similarly, the National Credit Union Administration (NCUA, n.d.), defines an MDI credit union as "a federally insured credit union in which a majority of its current members, its board of directors, and the community it services [...] fall within any of the eligible minority groups." Eligible minority groups for both banks and credit unions include Black Americans, Asian Americans, Hispanic Americans, and Native Americans.

The term "minority depository institution" was first formalized in the Community Reinvestment Act (CRA) of 1977, which set out to ensure that commercial banks and savings associations met the credit needs of low-income and minority individuals. Leading up to the CRA's passage, public concern had grown around the practice of redlining[2]—in which lenders deny mortgages and other forms of credit to those living in areas with large minority populations (Wex, 2022).

By formalizing the definition of MDIs, the CRA recognized the important role they play in meeting the credit needs of underserved communities. Subsequent legislation has reinforced this fact. The Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 outlined five goals related to MDIs: preserving their numbers; preserving their minority character in cases involving mergers or acquisition; providing technical assistance; promoting the creation of new MDIs; and providing training and educational programs (FDIC, 2019). Since the passage of FIRREA, the FDIC and NCUA have established programs targeted at the support and preservation of MDIs.

Despite efforts to preserve their numbers, the total count of MDI banks and credit unions has declined in recent years, reflecting broader trends in the industry (Barr & McComas, 2023; Elam et al., 2023). The number of MDI banks operating in the US peaked in 2008 at 215 but has since declined to 148 as of December 2023—a decrease of 31 percent (FDIC, 2023). At the same time, the number of MDI bank branches has also declined, from a peak of 1,957 in 2010 to 1,525 as of

2. The term "redlining" originates from a series of maps developed by the Home Owners' Loan Corporation (HOLC) in the 1930s, which were used to evaluate mortgage lending risk in American cities (Mitchell & Franco, 2018). Areas considered "hazardous" were color-coded in red. At the time, these areas encompassed many low-income and majority-minority neighborhoods, effectively excluding them from New-Deal-era homeownership programs. The term has since been used to refer to a wide set of discriminatory lending practices.

2022—a decrease of 22 percent (Elam et al., 2023). The number of MDI credit unions has also seen a decline over the past decade, from a total of 775 in 2013 to 493 as of September 2023—a decrease of 36 percent (NCUA, 2023).

Although a reduction in brick-and-mortar MDI branches reflects broader industry trends, including a shift to digital financial services, concerns remain over the impact of these branch closures. Bank branches offering in-person services can be critical for older customers and those with lower levels of digital and financial literacy. Moreover, recent research has found that MDI bank closures in LMI neighborhoods can result in lending shocks that stifle credit access and businesses expansion (Toussaint-Comeau et al., 2019).

Conversely, studies suggest that the presence of MDIs offers numerous benefits for low-income and minority communities. In many cases, MDIs are the only available source of in-person financial services for their customers, with 25 percent of MDI bank branches operating as the sole physical bank presence in their ZIP code (Barr & Romer, 2023). Additionally, 62 percent of MDI bank branches operate in ZIP codes with poverty rates above the national average—helping provide access to credit and financial services to those that need it most—compared to 38 percent of non-MDI banks.

Recent research has also explored the lending activity of MDI banks, which further illustrates their role in providing access to credit for underserved communities. In their 2019 study of MDI banks, the FDIC found that Black-led MDIs originated 65 percent of mortgages to borrowers in LMI census tracts in 2016, over four times the share for non-MDI non-community banks (14 percent) and non-MDI community banks (16 percent; Breitenstein et al., 2019). Researchers have observed similar patterns in MDI business lending. In a study of Paycheck Protection Program (PPP) lending, the National Bankers Association (NBA) found that 79 percent of PPP loans issued by MDI banks went to minority or LMI communities, versus 47 percent of loans issued by non-MDIs (Romer & Barr, 2023).

Like MDI banks, MDI credit unions provide access to credit and financial services for many LMI and minority communities across the country. Recent research has found that MDI credit unions serve customers that have lower and more volatile incomes on average (Dopico, 2016). Because they are non-profit and member-owned, MDI credit unions tend to be mission-driven organizations with a vested interest in their communities.

For example, many MDI credit unions offer tailored products and services to their customers, such as financial education courses and small-dollar loans. Access to small-dollar loans can make a big difference for customers with little or no credit history, allowing them to avoid using alternative financial services such as payday lenders. In their 2018 Annual Report to Congress on MDIs, the NCUA observed that 67 percent of first mortgages issued by MDI credit unions were fixed rate loans, compared to 57 percent among all federally insured credit unions.

MDI credit unions also tend to operate in areas with limited access to in-person financial services. Unity of Eatonville, an MDI credit union established in 2022, provides an informative example.

Before it opened, the town of Eatonville, Florida did not have a single brick-and-mortar financial institution—requiring its residents to travel out of town for basic financial services (Inclusive & African American Credit Union Coalition [AACUC], 2024). Since opening, the credit union now has over 300 members.

Existing research has established that MDI banks and credit unions serve as an important source of financial services in areas with large low-income and minority populations. This is in spite of the many challenges that MDIs face vis-à-vis non-MDIs. Because MDIs tend to be smaller institutions with fewer resources, many face burdens in providing digital tools such as mobile banking (Elam et al., 2023; Neal et al., 2023). Small financial institutions not only face burdens in providing the latest technology, but may also lack resources to comply with regulations and reporting requirements imposed on banks and credit unions.

Although prior research has established MDIs' role in supporting underserved communities, additional research is required to assess how they contribute to the long-term goals of wealth generation and financial stability among these communities. Our analysis contributes to this body of literature by studying MDI customers through the lens of homeownership, an important vehicle for building wealth and achieving positive socioeconomic outcomes.

Homeownership among MDI and non-MDI cardholders

Methodology

To investigate the question of homeownership among MDI and non-MDI customers, we use data from Visa's global payments network and depersonalized data obtained from TransUnion to identify demographic characteristics and homeownership status. We limit our study to credit cardholders (as opposed to debit cardholders) due to the availability of demographic and homeownership information from TransUnion.

To construct our treatment group, we began by taking a sample of MDI credit cardholders, representing all of those available on VisaNet.[3] We then randomly selected a sample of non-MDI credit cardholders—matching the demographic details of our MDI sample[4] —in order to form a control group. Because the demographic details of some MDI customers could not be matched to customers of non-MDIs, a small number of MDI customers were dropped from the sample. After completing the matching process, our final treatment and control groups each consisted of 211,761 individuals for a total of 423,522 observations. We then calculated the percentage of homeowners in the treatment and control groups across various demographic categories, such as race and income.

By limiting our sample to credit cardholders, we introduce certain limitations. First, our analysis does not account for MDIs' impact on un- and under-banked individuals, although it is widely accepted that MDIs serve as a crucial onramp to credit and banking services for these communities (Independent Community Bankers of America [ICBA], 2022). Furthermore, credit card use differs between demographic groups. In particular, existing studies have found that use increases with age, education, and income (Connolly & Stavins, 2015; Stavins, 2016). White Americans are also more likely to use credit cards when compared to all minority groups (Mann, 2011; Stavins, 2016). Finally, although research is limited, there is reason to believe that credit cardholders may be more likely to own a home in general. It is widely accepted that credit score is a major determinant of mortgage approval, and credit history length is a major contributor to

3. We define MDI cardholders as individuals who made at least one transaction using a credit card issued by an MDI bank or credit union in FY23. We define non-MDI cardholders as individuals who have not completed any transactions on MDI-issued credit cards, but made at least one transaction using a credit card issued by a non-MDI bank or credit union in FY23.
4. Matching variables include age, gender, race, estimated household income, education level, marital status, parental status, and state of residence. See Annex 1 for select descriptive statistics.

credit score. Therefore, it stands to reason that credit cardholders, especially those who have used a credit card for a longer period, may be more likely to get approved for a mortgage and become a homeowner.

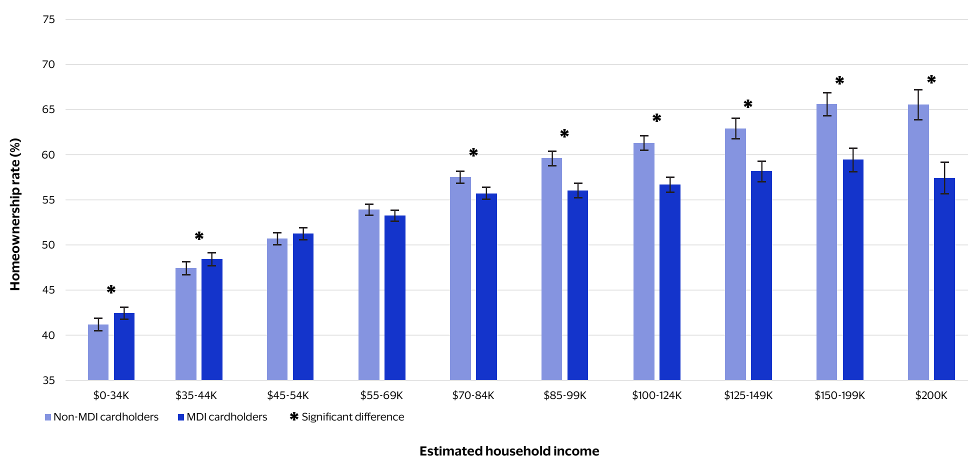
Results

Figure 1 displays homeownership by income among all MDI and non-MDI customers in our sample, revealing several notable patterns. First, rates of homeownership generally increase with household income among both groups—with well over half of those in the highest income bracket owning a home. This finding validates prior studies, which find that income is a primary driver of homeownership (Yun & Evangelou, 2016).

Furthermore, Figure 1 illustrates that for the two lowest income brackets in our sample, MDI cardholders are more likely to own a home on average (statistically significant at the 95 percent confidence level). Among those with a household income below $35,000 per year, 42.5 percent of MDI customers own a home, compared to 41.2 percent of non-MDI customers—meaning MDI customers are 3.1 percent more likely to own a home. And among those making between $35,000 and $45,000, these figures stand at 48.4 and 47.4 percent, respectively. This pattern appears to reverse as income increases. Among those with a household income over $200,000, 65.5 percent of non-MDI customers own a home compared to only 57.4 percent of MDI customers.

While our results do not suggest a causal mechanism for the higher rates of homeownership observed among low-income MDI cardholders, we may hypothesize possible reasons for this observation. On the supply side, MDIs' mission of driving economic success for underserved communities may make them more likely than non-MDIs to grant mortgages to low-income individuals. Moreover, because MDIs often have close relationships with their customers, they may be able to assess the default risk of borrowers who do not have sufficient income to secure a loan from traditional lenders. On the demand side, low-income individuals may seek out the services of MDIs, who could be perceived as more likely to approve their mortgage application (J.P. Morgan, 2023). Ultimately, further research is required to explore the extent to which a causal relationship exists between being an MDI customer and owning a home.

Figure 1: Homeownership by income among all credit cardholders *



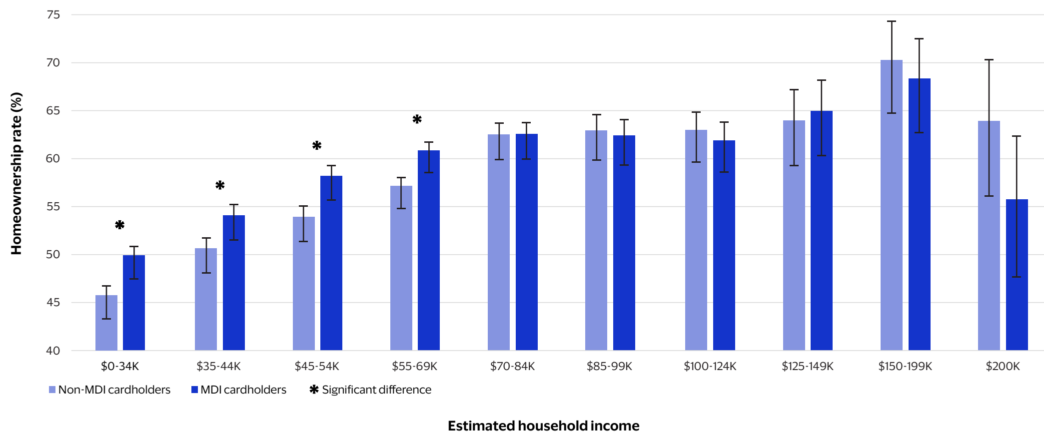
* See Annex 2 on page 24 for full description
Source: VEEI analysis of VisaNet and TransUnion data. Error bars represent 95% confidence intervals. Asterisk indicates a statistically significant difference in homeownership rates at the 95% confidence level.

Figure 2 displays homeownership by income among MDI and non-MDI customers, limited to only the Black American individuals in our sample. Much like the full sample, MDI customers in the lowest-income groups own homes at significantly higher rates than non-MDI customers. However, two notable differences emerge when restricting our sample to Black Americans.

First, the higher rate of homeownership observed among MDI cardholders remains statistically significant for the four lowest household income brackets, as opposed to just two, encompassing all of those with a household income below $70,000 per year. Furthermore, the gap in homeownership between Black American MDI and non-MDI customers within these income brackets is wider than that observed in the full sample. Among Black Americans in our sample with an income below $35,000 per year, 49.9 percent of MDI customers own a home, compared to 45.7 percent of non-MDI customers—meaning MDI customers are 9.2 percent more likely to own a home. Among those making between $55,000 and $70,000, these figures stand at 60.1 percent and 57.1 percent, respectively. And among those making above $70,000, the difference in homeownership varies in either direction (with no statistical significance).

It is worth noting that among Black American MDI customers in our sample, a majority (66.5 percent) have credit cards issued by a Black American MDI. When factoring in credit cards issued by mixed-race MDIs, this number increases to 97.2 percent. Given that Black American MDIs tend to operate in areas with large Black populations, this finding reinforces the notion that these institutions seek to build relationships and drive economic success in their local communities (Kashian et al., 2014). Although not conclusive, we speculate that the higher homeownership rate observed among low- and moderate-income Black American MDI customers may result from these efforts.

Figure 2: Homeownership by income among Black American credit cardholders *

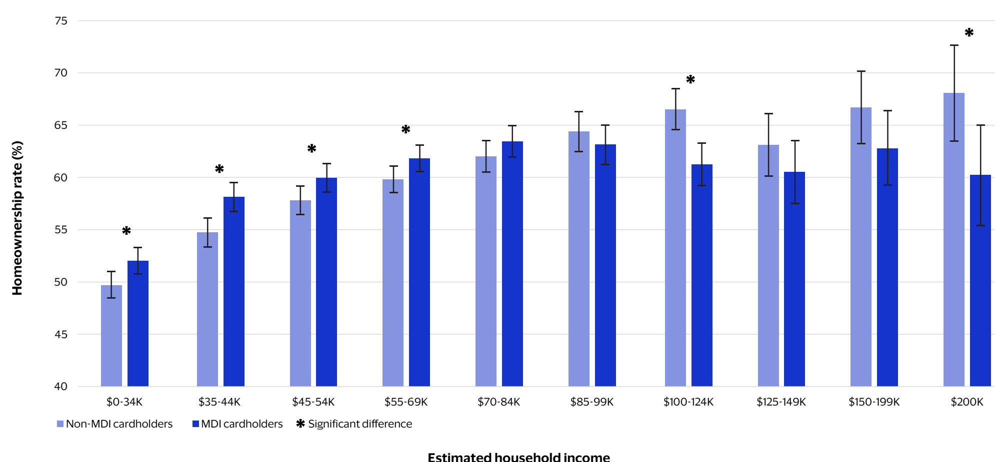


* See Annex 2 on page 24 for full description
Source: VEEI analysis of VisaNet and TransUnion data. Error bars represent 95% confidence intervals. Asterisk indicates a statistically significant difference in homeownership rates at the 95% confidence level.

Figure 3 displays homeownership by income among MDI and non-MDI customers, limited to only the Hispanic American individuals in our sample. Much like the findings for Black American MDI customers, the higher rate of homeownership observed among Hispanic American MDI customers is statistically significant for the four lowest household income brackets. Among Hispanic Americans in our sample making less than $35,000 per year, 52 percent of MDI customers own a home, compared to 49.7 percent of non-MDI customers—meaning MDI customers are 4.6 percent more likely to own a home. Among those making between $55,000 and $70,000, these figures stand at 61.8 percent and 59.8 percent, respectively.

Unlike the Black American MDI customers in our sample, only 23 percent of the Hispanic American MDI customers have credit cards issued by a Hispanic American MDI. When factoring in credit cards issued by mixed-race MDIs, this number increases to 88.6 percent.

Figure 3: Homeownership by income among Hispanic American credit cardholders *



* See Annex 2 on page 24 for full information
Source: VEEI analysis of VisaNet and TransUnion data. Error bars represent 95% confidence intervals. Asterisk indicates a statistically significant difference in homeownership rates at the 95% confidence level.

Among Asian American and Native American cardholders in our sample, disaggregating rates of homeownership by income for MDI and non-MDI cardholders did not yield meaningful results.

Implications

In simplest terms, these results reveal that low-income individuals served by MDIs are more likely to own a home than those served by non-MDIs. Among Black and Hispanic Americans, this is true for low- and moderate-income individuals. These results are congruent with prior research, which finds that MDIs are more likely to originate mortgages and other loans to minority borrowers and those living in LMI communities (Breitenstein et al., 2019; Dopico, 2016; Romer & Barr, 2023). Although our findings do not imply a causal relationship between using an MDI credit card and becoming a homeowner, they suggest that MDIs may help low-income customers purchase and retain a home.

Prior research has found that homeownership can help individuals accumulate wealth in various ways (Goodman & Mayer, 2018). Under the right economic conditions, the rate of return on home equity can outpace stocks and bonds. Moreover, low-income and minority homeowners are as likely as high-income homeowners to enjoy the financial benefits of owning a home (Herbert & Belsky, 2006); even during periods of economic crisis and shrinking home values, scholars find that LMI homeowners "experience greater short-run increases in net worth, assets, and nonhousing net worth than renters do" (Grinstein-Weiss et al., 2013). And in many cases, housing wealth is the only form of wealth possessed by low-income and minority households (Boehm & Schlottmann, 2004).

Aside from the short- and long-term financial benefits of homeownership, the children of homeowners appear to benefit as well, especially in terms of educational outcomes (Yun & Evangelou, 2016). For instance, Rostad et al. (2019) examined outcomes in 2014 among children whose mother owned a home in 1994, finding that they attained higher education levels, were less likely to receive public assistance, and were more likely to own a home themselves. These findings appear to hold for low-income homeowners (Harkness & Newman, 2003; Yun & Evangelou, 2016).

The extent to which homeowners enjoy these benefits depends largely on whether they can retain their home or purchase a unit of higher value over time (Boehm & Schlottmann, 2004). Retaining a home is especially important for low-income minority homeowners. Among those who sell or lose their home, only 37 percent purchase a home again, compared to 58 percent among high-income White Americans.

In addition to the benefits for homeowners and their families, higher rates of homeownership in a given geography are shown to have positive impacts on the surrounding community. Homeowners tend to move less frequently than renters, strengthening social cohesion and neighborhood stability (Warner & Roundtree, 1997; Yun & Evangelou, 2016). Because they have close ties to their local community, homeowners are also more likely to vote in local elections and participate in volunteer activities (Glaeser & DiPasquale, 1998; Linbald & Querica, 2015; Rotolo et al., 2010). By helping their customers purchase and retain homes, MDIs thereby serve as agents of financial and community stability in LMI and minority neighborhoods.

Areas for future research

Although informative, our investigation of homeownership among MDI and non-MDI customers has certain limitations. As stated above, restricting our analysis to credit card holders prevents us from drawing conclusions about MDIs' impact on un- and under-banked individuals. Additionally, we employ a broad definition of MDI credit cardholder, which encompasses all of those who made at least one transaction on an MDI-issued credit card during 2023. Future research should investigate whether frequency of credit card use has an impact on the likelihood of owning a home and the role of credit score and length of credit history in homeownership among MDI and non-MDI customers, both of which fall outside the scope of this study.

Furthermore, we do not investigate whether the homeowners in our study took out a mortgage, the source of their mortgage, the loan amount, or interest rate. Future research should explore whether MDI customers are more likely to take out a mortgage from an MDI than from a non-MDI, and whether MDIs are more likely than non-MDIs to grant higher loan amounts and lower interest rates. Due to data limitations, our study also does not explore whether homeownership rates differ significantly between customers of MDI banks and MDI credit unions.

Lastly, future research should include additional geographic controls. While our study controls for state of residence, additional studies should investigate whether discrepancies in homeownership between MDI and non-MDI customers are greater in areas with high poverty rates and levels of economic inequality.

Conclusion and recommendations

In this paper, we have illustrated how MDIs help low-income and minority individuals build wealth and maintain stability for their families and their communities. In light of these findings, it is crucial that the public and private sectors direct efforts to support MDIs and ensure that their numbers do not continue to decline. If the recent trend of MDI closures continues, many LMI and minority communities risk losing access to essential financial services, which may result in negative outcomes for wealth generation and community stability. We provide the following recommendations for helping MDIs continue to support these communities:

- **Help direct additional capital to MDIs.** This will enable them to stay afloat and extend credit to those who need it most. Beyond establishing programs that provide government deposits to MDIs, policymakers and regulators can help encourage private investment by introducing tax credits and other incentives (Barr & McComas, 2023). For their part, corporations and nonprofits can direct funds to MDIs through Tier 1 investments, deposits, and grants. Through its MDI Accelerate Program, Visa has directed $110 million in deposits to help support MDIs and catalyze additional lending. Policymakers and regulators should also consider measures that incentivize the creation of new MDIs.

- **Promote programs that provide MDIs with technological assistance and skills training.** Initiatives that assist MDIs in developing crucial technological skills and infrastructure can help address the gaps they face vis-à-vis non-MDIs. For example, in 2022, Visa partnered with three nonprofits—the National Bankers Association (NBA), the Alliance for Innovative Regulation (AIR), and Inclusiv—to initiate the MDI ConnectTech Initiative (AIR, n.d.; Elam et al., 2023). This project aims to provide digital solutions that multiple MDIs can utilize without incurring prohibitive costs.

- **Ensure a safe regulatory environment for MDIs to operate.** Prescriptive regulatory requirements often necessitate increased compliance resources that many MDIs and other smaller institutions do not possess. Although smaller institutions have received some relief from this regulatory burden (Neal & Walsh, 2020), policymakers and regulators should consider the cost that proposed legislation might impose on MDIs, which detracts from their ability to provide core financial services.

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Annex 1: Descriptive statistics

Table 1: MDI customers by race[5]

Race	Count	Percent
Asian American	14,710	6.9%
Black American	21,354	10.1%
Hispanic American	38,034	18.0%
Native American	467	0.2%
White American	52,821	24.9%
Unknown	84,375	39.8%
Total	**211,761**	**100%**

* See Annex 2 on page 24 for full description

5. Due to our matching procedure, the demographic breakdown of non-MDI customers in our sample is identical to that of MDI customers.

Table 2: MDI customers by estimated household income

Estimated household income	Count	Percent
$0-34k	24,316	11.5%
$35-44k	22,520	10.6%
$45-54k	24,708	11.7%
$55-69k	33,930	16.0%
$70-84k	25,999	12.3%
$85-99k	17,369	8.2%
$100-124k	17,002	8.0%
$125-149k	8,158	3.9%
$150-199k	6,004	2.8%
$200k+	3,439	1.6%
Unknown	28,316	13.4%
Total	**211,761**	**100%**

* See Annex 2 on page 25 for full description

Table 3: MDI customers by state of residence

State	Count	Percent	State	Count	Percent
AK	67	0.03%	**MT**	58	0.03%
AL	1,124	0.53%	**NC**	7,036	3.32%
AR	170	0.08%	**ND**	36	0.02%
AZ	3,259	1.54%	**NE**	90	0.04%
CA	15,515	7.33%	**NH**	61	0.03%
CO	1,105	0.52%	**NJ**	5,334	2.52%
CT	778	0.37%	**NM**	22,732	10.73%
DC	2,027	0.96%	**NV**	1207	0.57%
DE	305	0.14%	**NY**	2,334	1.10%
FL	4,989	2.36%	**OH**	2191	1.03%
GA	3,883	1.83%	**OK**	287	0.14%
HI	41,308	19.51%	**OR**	409	0.19%
IA	133	0.06%	**PA**	1,456	0.69%
ID	130	0.06%	**RI**	40	0.02%
IL	1,270	0.60%	**SC**	768	0.36%
IN	918	0.43%	**SD**	38	0.02%
KS	218	0.10%	**TN**	750	0.35%
KY	259	0.12%	**TX**	28,975	13.68%
LA	7,798	3.68%	**UT**	161	0.08%
MA	340	0.16%	**VA**	4,401	2.08%
MD	18,752	8.86%	**VT**	40	0.02%
ME	66	0.03%	**WA**	1,058	0.50%
MI	2,010	0.95%	**WI**	401	0.19%
MN	229	0.11%	**WV**	126	0.06%
MO	736	0.35%	**WY**	27	0.01%
MS	2,007	0.95%	**Unknown**	22,349	10.55%

* See Annex 2 on page 25 for full description

Table 4: MDI customers by race and estimated household income

	Asian American		Black American		Hispanic American		Native American		White American		Unknown	
Estimated household Income	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
$0-34k	509	3.5%	3,736	17.5%	6,945	18.3%	131	28.1%	5,105	9.7%	7,890	9.4%
$35-44k	2,225	15.1%	1,431	6.7%	2,418	6.4%	26	5.6%	5,499	10.4%	5,403	6.4%
$45-54k	1,006	6.8%	591	2.8%	1,084	2.9%	12	2.6%	2,865	5.4%	2,600	3.1%
$55-69k	738	5.0%	363	1.7%	747	2.0%	5	1.1%	2,216	4.2%	1,935	2.3%
$70-84k	325	2.2%	183	0.9%	410	1.1%	3	0.6%	1,302	2.5%	1,216	1.4%
$85-99k	828	5.6%	3,185	14.9%	5,745	15.1%	43	9.2%	5,540	10.5%	7,179	8.5%
$100-124k	1,319	9.0%	3137	14.7%	5,781	15.2%	59	12.6%	6,410	12.1%	8,002	9.5%
$125-149k	2,613	17.8%	4,024	18.8%	6,657	17.5%	74	15.8%	9,636	18.2%	10,926	12.9%
$150-199k	2,688	18.3%	2,720	12.7%	4,475	11.8%	63	13.5%	7,554	14.3%	8,499	10.1%
$200k+	1,978	13.4%	1716	8.0%	2,731	7.2%	29	6.2%	5,402	10.2%	5,513	6.5%
Unknown	481	3.3%	268	1.3%	1,041	2.7%	22	4.7%	1,292	2.4%	25,212	29.9%

* See Annex 2 on page 25 for full description

Table 5: MDI banks and credit unions by race

Race	Count	Percent
Asian American	18	18.2%
Black American	30	30.3%
Hispanic American	17	17.2%
Native American	2	2.0%
Multiple	32	32.3%
Total	**99**	**100%**

* See Annex 2 on page 25 for full description

Table 6: MDI banks and credit unions by asset size

Assets	Count	Percent
$0-50m	25	25.3%
$50-250m	31	31.3%
$250-500m	10	10.1%
$500m-1b	10	10.1%
$1b+	17	17.2%
Unavailable	6	6.1%
Total	**99**	**100%**

* See Annex 2 on page 25 for full description

Annex 2: Text description of figures and tables

Figure 1: Homeownership by income among all credit cardholders

This bar chart displays the percentage of homeowners in our sample by MDI and non-MDI credit cardholders, clustered by estimated household income. Among both cardholder groups, the percentage of homeowners generally increases with household income, plateauing for those making above $200,000 annually. For the two lowest income brackets, encompassing those making below $45,000 annually, MDI cardholders own homes at a higher rate, statistically significant to the 95 percent confidence level. For the six highest income brackets, encompassing those making above $70,000 annually, non-MDI cardholders own homes at a higher rate, statistically significant to the 95 percent confidence level.

Figure 2: Homeownership by income among Black American credit cardholders

This bar chart displays the percentage of homeowners among Black American MDI and non-MDI credit cardholders in our sample, clustered by estimated household income. Among both cardholder groups, the percentage of homeowners generally increases with household income, dropping off slightly for those making above $200,000 annually. For the four lowest income brackets, encompassing those making below $70,000 annually, MDI cardholders own homes at a higher rate, statistically significant to the 95 percent confidence level.

Figure 3: Homeownership by income among Hispanic American credit cardholders

This bar chart displays the percentage of homeowners among Hispanic American MDI and non-MDI credit cardholders in our sample, clustered by estimated household income. Among both cardholder groups, the percentage of homeowners generally increases with household income, with some variation among those making above $100,000 annually. For the four lowest income brackets, encompassing those making below $70,000 annually, MDI cardholders own homes at a higher rate, statistically significant to the 95 percent confidence level.

Table 1: MDI customers by race

This table displays the distribution of MDI cardholders in our sample by race. White Americans make up the largest proportion of cardholders at 24.9 percent and Native Americans make up the smallest proportion at 0.2 percent. Race is unknown among 39.8 percent of cardholders.

Table 2: MDI customers by estimated household income

This table displays the distribution of MDI cardholders in our sample by estimated household income. Those with an income between $55,000 and $69,000 make up the largest proportion of cardholders at 16 percent and those with an income over $200,000 make up the smallest proportion at 1.6 percent. Household income is unknown among 13.4 percent of cardholders.

Table 3: MDI customers by state of residence

This table displays the distribution of MDI cardholders in our sample by state of residence. Those residing in Hawaii make up the greatest proportion of cardholders at 19.51 percent, followed by Texas, New Mexico, Maryland, and California. Several states make up less than 0.1 percent of our sample, including Alaska, Arkansas, Iowa, Idaho, Maine, Montana, North Dakota, Nebraska, New Hampshire, Rhode Island, South Dakota, Utah, Vermont, West Virginia, and Wyoming. State of residence is unknown among 10.55 percent of our sample.

Table 4: MDI customers by race and estimated household income

This table displays the distribution of MDI cardholders in our sample by race and estimated household income. Among Asian American cardholders, those making between $150,000 and $199,000 make up the greatest proportion at 18.3 percent. Among Black American cardholders, those with an income between $125,000 and $149,000 make up the greatest proportion at 18.8 percent. Among Hispanic American cardholders, those with an income below $35,000 make up the greatest proportion at 18.3 percent. Among Native American cardholders, those with an income below $35,000 make up the greatest proportion at 28.1 percent. Among White American cardholders, those with an income between $125,000 and $149,000 make up the greatest proportion at 18.2 percent.

Table 5: MDI banks and credit unions by race

This table displays the distribution of MDI banks and credit unions in our sample by race. Mixed race MDIs make up the greatest proportion at 32.3 percent, followed closely by Black American MDIs at 30.3 percent. Native American MDIs make up the smallest proportion at 2 percent.

Table 6: MDI banks and credit unions by asset size

This table displays the distribution of MDI banks and credit unions in our sample by asset size. Those with assets between $50 million and $250 million make up the greatest proportion at 31.3 percent. Asset size is unavailable among 6.1 percent of MDIs in our sample.

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