Despite its promise, distributed ledger technology is unlikely to draw unbanked consumers into the financial mainstream.

Banking services can help households make payments, obtain credit, and build wealth. But in 2015, 7 percent of U.S. households had no checking or savings account and were thus considered unbanked. Policymakers and consumer advocates have promoted distributed ledger technology (DLT) as one way to bring these households into the financial mainstream. But little research has connected DLT's benefits to the specific obstacles unbanked consumers face.

Jesse Leigh Maniff and W. Blake Marsh use data from the FDIC National Survey of Unbanked and Underbanked Households to analyze whether DLT addresses unbanked consumers’ primary concerns about having a checking or savings account. They find that although DLT addresses each concern in at least a limited capacity, it is unlikely to significantly reduce the share of unbanked consumers in the United States.

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