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Survey: U.S. Households Paid More than \$1 Billion in Checking Account Maintenance Fees in 2018



Simon Zhen Updated: Aug 06, 2019

[Editorial Disclosure](#)

For most people, a checking account is essential because it acts as the hub of one's personal finances.

However, Americans continue to lose their hard-earned money to maintenance fees connected to a typical checking account.

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In an ongoing survey, MyBankTracker found that **U.S. households paid more than \$1 billion in checking account maintenance fees at the top 5 U.S. banks in 2018.**

Generally, consumers are not advised to pay monthly fees when cheaper alternatives are available.

Furthermore, Americans continue to incur expensive overdraft fees.

Nearly 1 in 3 Americans hit with an overdraft fee in 2018

Our survey found that 31.6 percent of checking account customers were charged at least one overdraft fee in 2018 -- down from nearly 37 percent in 2017.

Roughly 7 percent of consumers paid five or more overdrafts per year -- unchanged from the year before.

The average overdraft fee at the top 10 U.S. banks (deposits) is \$35.20.

Trends

- U.S. households wasted more than \$1 billion in monthly maintenance fees last year at the top 5 US banks alone
 - That's at least \$83.8 million every month at only five of America's banks
- 11% of U.S. households have checking-account balances of less than \$1,000 AND no direct deposit
- Nearly half of U.S. households said mobile banking is the most important feature when choosing a bank account (45.5%)
 - Only 25% said low fees were most important
- Nearly 32% had at least one overdraft and close to 7% had 5+ overdrafts
- Nearly 69% of U.S. households didn't overdraw their checking accounts

Percentage of respondents who've had a daily balance of less than \$1,000

Year	Percentages
2016	66.07%
2017	63.66%
2018	51.32%

Percentage of respondents who've had at least one overdraft incident (past year)

Year	Percentages
2016	35.21%
2017	36.48%
2018	31.27%

Percentage of respondents who relied on the following factors when picking a bank

Year	Customer reviews	Low fees
2016	16.67%	49.52%
2017	20.63%	30.80%
2018	21.51%	25.28%

Percentage of respondents who used the following methods to make deposits

Year	Mobile deposit	Direct deposit
2016	11.96%	32.95%
2017	10.37%	38.92%

How Consumers Can Avoid Monthly Fees

Minimum balance

One of the most common ways that banks allow you to waive a monthly fee is to maintain a minimum balance in the account.

Be careful, as different checking accounts use various methods to determine the "minimum balance," including:

- **Average daily balance:** The monthly average of the end-of-day account balance.
- **Strict minimum:** The account balance cannot fall below the minimum at the end of the day.

Do note that some banks will consider the balances in other linked accounts at the same banks.

Direct deposits

Direct deposits are recurring electronic deposits that typically come from your employer(s), government benefits, or another income source.

Reach out to your payroll or human resources department to request direct deposits of your paycheck.

It is important to note that banks may require a minimum amount for a direct deposit or the combined amount of monthly direct deposits.

Account activity

Some checking accounts allow you to waive the monthly fee if you meet certain activity requirements, such as:

- Use a debit card for a specific amount or number of times monthly
- Pay bills with the online bill pay feature
- Set up recurring transfers to a linked savings account

Accountholder age

Most of the big banks will waive the monthly fee on their basic checking accounts if an accountholder is of a certain age – usually younger than 21 or 55+.

How to Avoid Overdraft Fees

Overdraft fees are among the most expensive banking fees. So, it is best to avoid them.

Even worse:

A bank could charge multiple overdraft fees over the course of the day.

Opt out

Federal law requires that financial institutions obtain consent from a customer to overdraw their accounts for certain transactions, including point-of-sale or ATM transactions that could cause a negative balance.

However, written checks can still result in negative balances that trigger overdraft fees.

A Stronger Case for Online Banks

While Americans paid fewer monthly maintenance fees on checking accounts last year, a large amount is still lost to this avoidable fee.

This trend makes a stronger case for online banks, many of which do not charge any monthly fees.

Furthermore, they tend to offer decent interest rates and lower fees across the board.

Methodology

MyBankTracker conducted an [ongoing survey](#) regarding checking account usage during the calendar year of 2018 with 13,613 respondents in the United States.

According to the U.S. Census Bureau with 2014 data (last updated Nov. 2018), 113,111,700 U.S. households own a checking account.

According to the FDIC, the top five U.S. banks own 61 percent of the total FDIC-insured deposits in the nation.

At each of the five largest U.S. banks, a basic checking account requires at least \$1,500 to waive the monthly fee (among other eligible fee-waiver criteria). The average monthly fee of these five basic checking options is \$10.99.

MyBankTracker survey data shows 11 percent of Americans have less than \$1,000 in their checking accounts without any direct deposits.

If each of these U.S. households paid an average monthly checking fee of \$10.99, they would have paid a combined \$1 billion in 2018.



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