


MASTER YOUR CARD

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THE COST OF CHECK CASHING

Check cashing is one of the most commonly used alternative financial services among the underserved. Nearly half of unbanked households and about 30% of underbanked households have used non-bank check-cashing services.¹

\$25,500 is the average income of underserved households.²

The average payday loan borrower takes out **8 loans** per year.³

Payday loans cost the borrower an average of **\$375** in fees per year.³

This costs an average of **\$520** in interest per year.³

\$58 billion worth of checks are processed by the check-cashing industry each year.⁴

391% is what the average annual interest rate becomes for most payday loans.²

African Americans are **3x** as likely as whites and twice as likely as other minorities to rely on payday lending.³

Expensive alternative financial services like check cashing are impacting the African American community more than any other ethnicity.¹

1 Federal Deposit Insurance Company (FDIC). (2018). 2017 FDIC National Survey of Unbanked and Underbanked Households. www.fdic.gov/householdsurvey/

2 U.S. Postal Service, Office of Inspector General. (2014). Providing non-bank financial services for the underserved (RARC-WP-14-007). www.uspsig.org/document/providing-non-bank-financial-services-underserved

3 Pew Charitable Trusts. (2012). Payday Lending in America: Who Borrows, Where They Borrow, and Why? www.pewtrusts.org/en/research-and-analysis/reports/2012/07/19/who-borrows-where-they-borrow-and-why

4 Federal Deposit Insurance Company (FDIC). (2009) 2008 FDIC Alternative Financial Services: A Primer. www.fdic.gov/bank/analytical/quarterly/2009-vol3-1/fdic140-quarterlyvol3no1-afs-final.pdf