


MASTER YOUR CARD

A community empowerment program brought to you by 

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

\$55 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). (2012). 2011 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 un-served (RARC-WP-14-007). <http://www.uspsaig.gov/sites/default/files/document-library-files/2014/rarc-wp-14-007.pdf>

³ Pew Charitable Trusts. (2012). Payday Lending in America: Who Borrows, Where They Borrow, and Why? http://www.pewstates.org/uploadedFiles/PCS_Assets/2012/Pew_Payday_Lending_Report.pdf

⁴ Barr, M. & Blank, R. (2009). "Savings, Assets, Credit, and Banking among Low-income Households: Introduction and Overview." In *Insufficient Funds: Savings, Assets, Credit and Banking Among Low- and Moderate-Income Households*, edited by M.S. Barr and R.M. Blank, 66-96. New York: Russell Sage.