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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 underserved household income.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

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

\$55 billion worth of checks are processed by the check-cashing industry each year.⁴

Including money transfers to other countries, **54%** of Latino households use alternative financial services, compared to only 28% of Asian and 38% of white households.¹

Expensive alternative financial services like check cashing are hurting the Latino community.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.uspsig.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.