

Introduce a “public option” for banking

Regulating abusive and aggressively marketed products is important, but more can be done to broaden access to high-quality, low-cost financial services. As many as 8 million American households don't have access to basic banking, like a checking account, and 1 in 5 Americans don't have access to affordable accounts, debit cards, and credit. The big banks no longer offer free checking, and fees for basic banking have skyrocketed.

Worse still, nearly 28% of U.S. households rely on fringe and often predatory financial institutions for banking and credit. Fees to payday lenders and check-cashers cost these households an astonishing \$89 billion a year. That's more than \$2,400 per household, or 10% of their average income. These predatory services are concentrated in low-income neighborhoods and communities of color, stripping additional wealth from those who can least afford it.

The U.S. Postal Service (USPS) is well placed to provide such basic banking services. In past decades, the USPS offered savings accounts on a significant scale, and postal systems in countries around the world currently provide financial services to more than a billion consumers.

The Postal Service is geographically well-positioned to reach people with little or no access to retail banking. Increasingly, banks are closing branches, particularly in low-income communities. The USPS has more than 31,000 branches serving every urban, suburban, and rural community in the country. **Fifty-nine percent of post offices are in zip codes with either no bank or only one bank.**

The USPS is legally required to serve all Americans, regardless of geography, at uniform price and quality. Its not-for-profit, universal mandate contrasts sharply with exorbitantly-priced financial services that target some vulnerable communities and decline to serve others.

What does postal banking entail?

The USPS already offers some very limited financial products, including the sale of money orders, international money transfers to nine countries, and cashing of U.S. Treasury checks. The Postmaster General can take action under the Postal Service's existing authority to offer more basic banking services, including:

- Low-cost ATMs with free access for Treasury Direct Express cards, providing Social Security benefits at no cost
- Electronic money transfers to other U.S. post offices and more foreign countries
- Cashing paychecks
- Bill payment services, allowing the unbanked to make fast, convenient payments for utilities and other essential services
- Pilot projects could explore additional offerings

The Ask

Since the USPS already has the mandate to act, Members of Congress should sign on to a letter to Postmaster General Megan Brennan and the USPS Board of Governors directing the USPS to pilot offering basic banking services in places where access to financial services is limited.

Let's build a financial system for
working families, White, Black & Brown,
not big Wall Street banks.

TakeOnWallStreet.org

