

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Chuck Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Rosa L. DeLauro
Chairwoman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Kay Granger
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Mike Quigley
Chairman
Subcommittee on Financial Services and
General Government
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Steve Womack
Ranking Member
Subcommittee on Financial Services and
General Government
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

May 6, 2021

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader Schumer, Minority Leader McConnell, Chairwoman DeLauro, Ranking Member Granger, Chairman Quigley, and Ranking Member Womack,

Re: Support Pilot Program for Non-Bank Financial Services at USPS

As advocates for the millions of Americans left behind by the traditional financial system, we are writing to express our strong support for inclusion of the \$6 million Postal Banking pilot program in the final Fiscal Year 2022 Appropriations package.

According to an FDIC National Survey, 1 in 4 households in the United States are considered “unbanked” or “underbanked.” That number represents 32 million American households neglected by traditional institutions that are then forced to rely on exploitative financial services and products outside the banking system. Survey respondents cited exorbitant and unpredictable fees, inconvenient or inaccessible locations, distrust of banks, and insufficient income to hold an account at a traditional bank as common barriers to access to traditional banking services.

The effects of these gaps in our banking system disproportionately fall on already marginalized communities: people living in rural areas, communities of color, and seniors. Not only does the lack of accessible banking options make achieving financial stability much harder, it also makes populations more vulnerable to predatory services that use financial desperation to trap borrowers in cycles of debt. Further, this vicious cycle exacerbates the racial wealth divide between white Americans and Black, Indigenous, and other people of color. The Center for Financial Service Innovation finds that these industries extract more than \$170 billion dollars every year, primarily from low-income communities of color.

Financial inclusion through postal banking has taken on even more urgency if we want our nation to emerge from the worst economic recession since the Great Depression due to COVID-19. The difficulty in sending out individual COVID-19 stimulus payments to those who need it the most outside the banking system further underscores the importance of providing access to affordable banking.

Thankfully, there is a way to deliver much-needed access to basic non-bank financial services for all communities, regardless of income or rural, urban, or suburban zip code. The United States Postal Service's universal service obligation puts it in a unique position to facilitate such activities. Fifty-nine percent of post offices are in zip codes with either no bank or only one bank, meaning the bricks-and-mortar are already in place. Allowing all Americans to bank at their local post office provides a cost-effective way to make sure no one is left out of this part of our economy. Unlike banks, the American people also have robust confidence in the U.S. Postal service. According to Pew Research, 91% of Americans view the U.S. Postal Service favorably, while according to Gallup only 61% of Americans have some or little trust in traditional banks.

In response to this critical need, the House has voted twice to put a postal financial services pilot program into an Appropriations package.

This idea is far from unprecedented. As recently as 1965, the United States used the Postal Service to deliver financial services to ordinary Americans. Postal services in 139 countries, including Germany, Japan, Spain, and the United Kingdom, offer financial services to their customers.

In two separate reports, the Office of the Inspector General of the USPS endorsed such a proposal while outlining the unique position USPS is in to deliver financial services to underbanked communities. The OIG writes, "expanded financial services would benefit the underserved and shore up the strength of the postal network, helping to ensure that the Postal Service is ready to meet the needs of all citizens in the 21st century."

For these reasons, because we firmly believe everyone deserves access to the banking system and our economy works best when all are able to participate, we, the undersigned, strongly

encourage you to include the funding to pilot this program in the FY2022 FSGG Appropriations Bill.

Sincerely,

ACLU

AFL-CIO

Alliance for Retired Americans

American Family Voices

Americans for Financial Reform

APWU

Bold ReThink

California Reinvestment Coalition

Center for Common Ground

Center for Popular Democracy

CEPR - Center for Economic and Policy Research

Clean Elections Texas

Cleveland Jobs with Justice

Color of Change

Communications Workers of America

Consumer Action

Daily Kos

Democracy Initiative

East Bay Citizens in Action

EPI Policy Center

Family Farm Defenders

Farm Aid

Food and Water Watch

Franciscan Action Network

Hedgeclippers

Indivisible

Indivisible Media City Burbank

Institute for Policy Studies, Global Economy Project

Jobs with Justice

Leadership Conference on Civil and Human Rights
Main Street Alliance
Mainers for Accountable Leadership
McGee-Spaulding Neighbors in Action (Berkeley, CA)
MomsRising
NAMI Huntington NY
National Active and Retired Federal Employees Association
(NARFE)
National Farmers Union
NETWORK Lobby for Catholic Social Justice
Our Revolution
Patriotic Millionaires
People for the American Way
People's Action
PFLAG
Presente.org
Pride at Work
Progress America
Public Citizen
RESULTS
Save the Berkeley PO
Save the Berkeley Post Office Committee
Save the Post Office Coalition
SEIU
Social Security Works
Strong Economy for All Coalition
Take on Wall Street
The Coalition of Labor Union Women, AFL-CIO
True North Research
UNITE HERE
Working Families Party