

Testimony Submitted by
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Oregon Consumer Justice
To the House Committee on Business and Labor

February 21, 2022

Regarding: Support for SB 1565A

Chair Holvey, Vice-Chair Bonham, Vice-Chair Grayber, and Members of the Committee,

For the record, my name is Chris Coughlin, and I appreciate the opportunity to testify today in support of SB 1565. I am pleased to submit this testimony on behalf of Oregon Consumer Justice. Launched in 2020, [Oregon Consumer Justice](#) (OCJ) is a nonprofit organization committed to ensuring that all people in Oregon experience a safe and fair marketplace, free from predatory and exploitative practices. We are especially focused on those communities that have been historically and systematically excluded or harmed by unfair practices.

Our priorities are guided by community voices, and we strategically focus on opportunities to:

- balance and re-imagine systems by advocating for laws that protect consumers and systems to ensure those laws are effective,
- communicate to shift the narrative about consumer justice and achieve equitable outcomes, and
- build and strengthen consumer access to justice.

SB 1565 would require businesses to accept cash with certain exclusions, and we believe that this is an important option for many Oregonians in the consumer marketplace. In partnership with community based organizations we have conducted a series of listening sessions beginning in July 2021 with Oregonians from communities including the elderly, rural, Black, Indigenous, people of color, people living with disabilities and immigrants who have been historically and systematically harmed by unfair practices in the marketplace. These conversations cover many topics about challenges they have faced as consumers. The shame and frustration of wanting to use cash for payment and not having another payment option when a

business refused to accept cash came up in our conversations.

Since 2009, the Federal Deposit Insurance Corporation (FDIC) in partnership with the U.S. Census Bureau has done a biennial survey to collect information on bank account ownership, use of prepaid cards and nonbank financial transaction services, and use of bank and nonbank credit by U.S. households. The most recent in 2019 found that an estimated 5.4 percent of U.S. households and 3.8 percent of Oregon households were “unbanked” in 2019, meaning that no one in the household had a checking or savings account at a bank or credit union. This is the lowest rate since the survey began, and about half of the decline in the unbanked rate between 2017 and 2019 was associated with improvements in the socioeconomic circumstances of U.S. households over this period.

However, the percentages vary greatly among different communities. Unbanked rates were higher among Black households (13.8%), Hispanic households (12.2%), American Indian or Alaska Native households (16.3 %), working-age disabled households (16.2%), and households with income that varied greatly month to month (10.7%).

As we think about how to plan for an equitable economic recovery from the pandemic it is important to note that we may see a higher number of unbanked households when the 2021 survey is released because of economic hardship. Not having enough money to meet minimum balance requirements was the most cited primary reason for not having an account, with 29 percent of respondents.

Individuals engage with financial services in different ways and using different tools depending on their personal and budget needs and circumstances. Individuals might have a variety of reasons that they may not want to use debit or credit cards for purchases, often including high fees or surcharges to access those options, and they should be able to choose to pay with cash.

SB 1565A will remove barriers for Oregonians who may not be able to engage in financial services without incurring overwhelming fees, and for those who choose to use cash for financial transactions. We appreciate the work Senator Prozanski has done to identify exclusions that will allow this bill to be implemented across business sectors, and we urge your support of SB 1565A with the proposed amendment to provide further clarification for some businesses.

Thank you for your consideration, and for your service to Oregon communities.