



Research on High-Interest Lending in Illinois

Findings From a Survey of 500 Likely Voters and 200 Additional High-Interest Loan Recipients

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Methodology

- Lake Research Partners designed and administered this survey, which was conducted by live telephone and text-to-online interview.
- The survey reached a total of 500 Illinois likely voters and 200 additional adults in Illinois who report having taken out a payday or auto title loan since 2019.
 - 74 likely voters reported having taken out a payday or auto title loan since 2019, bringing the full size of the high-interest loan recipient sample up to 274.
- The survey was conducted June 27 – July 10, 2024.
- The sample was stratified by gender, age, race, and region, to reflect the demographic composition of the likely voter and high-interest loan recipient populations in Illinois. Where there were slight differences between our survey sample and the expected population, data were weighted accordingly.
- The margin of error is +/-4.4% for the likely voter sample and +/-5.9% for the high-interest loan recipient sample. The margins of error for subsamples and split sampled questions are greater.

Demographics of Likely Voters in Illinois

GENDER

Man	—	45%
Woman	—	52%
Non-Binary	—	1%

AGE

Under 30	—	15%
30-39	—	16%
40-49	—	16%
50-64	—	25%
65+	—	28%

EDUCATION

High School or Less	—	14%	
Post-H.S. / Some College	—	40%	
College Graduate	—	27%	44% College Grad or Post Grad
Post-Graduate	—	17%	

PARTY IDENTIFICATION



Democrat
46%



Republican
31%



Ind/DK
15%



Other
3%

RACE

White/Caucasian	65%
Black/African American	13%
Hispanic/Latinx	11%
AAPI	4%
Native or Indigenous	1%
Middle Eastern	0%
Other	2%

REGION



Chicago	—	20%
Suburban Cook	—	20%
Collar Counties	—	26%
Northern	—	10%
Central	—	14%
Southern	—	10%

INCOME

Below \$60k	—	30%
Above \$60k	—	58%

Demographics of High-Interest Loan Recipients in Illinois

GENDER

Man	—	50%
Woman	—	49%
Non-Binary	—	1%

AGE

Under 30	—	16%
30-39	—	17%
40-49	—	17%
50-64	—	26%
65+	—	24%

EDUCATION

High School or Less	—	15%	
Post-H.S. / Some College	—	60%	
College Graduate	—	15%	23% College Grad or Post Grad
Post-Graduate	—	8%	

PARTY IDENTIFICATION



Democrat
60%



Republican
19%



Ind/DK
15%



Other
1%

RACE

White/Caucasian	52%
Black/African American	25%
Hispanic/Latinx	15%
AAPI	3%
Native or Indigenous	0%
Middle Eastern	1%
Other	1%

REGION



Chicago	—	17%
Suburban Cook	—	19%
Collar Counties	—	21%
Northern	—	15%
Central	—	17%
Southern	—	12%

INCOME

Below \$60k	—	44%
Above \$60k	—	49%

Key Findings: Context & Experiences With High-Interest Loans

- Two thirds of Illinoisans who had taken out payday or auto title loans in the two years prior to the implementation of the Predatory Loan Prevention Act (PLPA) 36% rate cap **report experiencing negative financial impacts from paying off those loans.**
 - The most common impacts were **having to cut back on necessities**, such as food, medical care, and prescription drugs, being **unable to pay rent, mortgage, or other bills** on time, incurring **overdraft fees**, and having to **take money out of long-term savings** (such as retirement or college savings accounts).
- Former high-interest loan users **continue to access credit following the implementation of the rate cap.**
 - Less than half of high-interest loan recipients have attempted to take out another loan or get credit since the rate cap went into effect. Of those who did, **the vast majority were able to access credit.**
- Since 2021, less than half of high-interest loan recipients have needed extra cash. **Of those who have needed extra cash, a majority were able to get it.**
 - This finding stands in **clear contrast to misleading reporting from an Online Lenders Association survey** of their own customers.

Key Findings: Legislation

- There is **clear majority support among Illinois voters for the Predatory Loan Prevention Act (PLPA)**, the 2021 law that places a 36% rate cap on consumer loans.
 - Voters are **very supportive** of the rate cap **across demographics and party affiliation**.
 - **High-interest loan recipients are even *more* supportive** of the rate cap.
- An overwhelming majority of voters believe that **the 36% rate cap is too *high***.
 - **Eight in ten voters** and nearly **nine in ten high-interest loan recipients** think that the **rate cap should be lower**. This finding is **remarkably consistent across demographics and party affiliation**.
 - The data reveals that **many voters who said they oppose the rate cap did so initially because they believe it is *not low enough*** or did not understand that it was lowering rates.
- After voters learn how high the average interest rates for payday and auto title loans were in Illinois before the rate cap was passed, **support for the 36% rate cap jumps by double-digit margins**, with a majority strongly in support.
- Voters **overwhelmingly support** a proposed rule that would **require small business lenders to disclose the APR of their loans**.
 - **Eight in ten voters** and nearly **nine in ten high-interest loan recipients** think that lenders should be required to disclose the APR on small business loans. Support is strong **across demographics and party affiliation**.

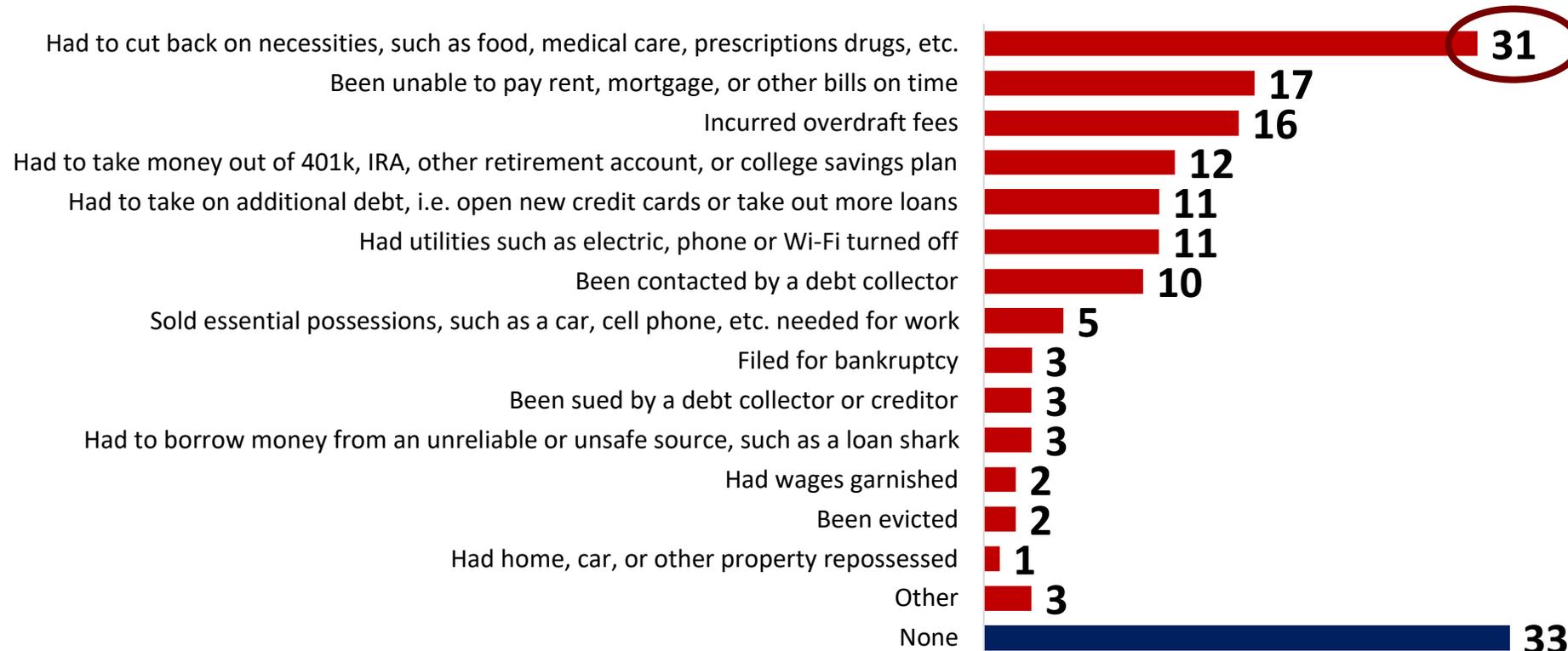
A conceptual illustration of a shark fin cutting through the surface of a teal ocean. The scene is split horizontally by the water's surface. Above the surface, the sky is a light, hazy blue. Below the surface, the water is a vibrant teal. A large, dark dollar sign (\$) is visible underwater, partially obscured by the shark's body. A school of small, dark fish is swimming in the lower right quadrant. The overall aesthetic is clean and modern, with a focus on financial themes.

Context & Experiences with Lending

Two thirds of former high-interest loan recipients report experiencing significant negative impacts from paying off their loans. The most common is having to cut back on necessities, such as food, medical care, and prescription drugs. Significant numbers have also been unable to pay other bills, incurred overdraft fees, had to take the money out of their savings or take on additional debt, had their utilities cut off, and/or been contacted by a debt collector.

Impacts of Repaying High-Interest Loans Among Former High-Interest Loan Recipients

Question Text: Thinking about any payday or auto title loan you have taken out since 2019, please tell me whether repaying these loans have caused any of the following impacts on your life:

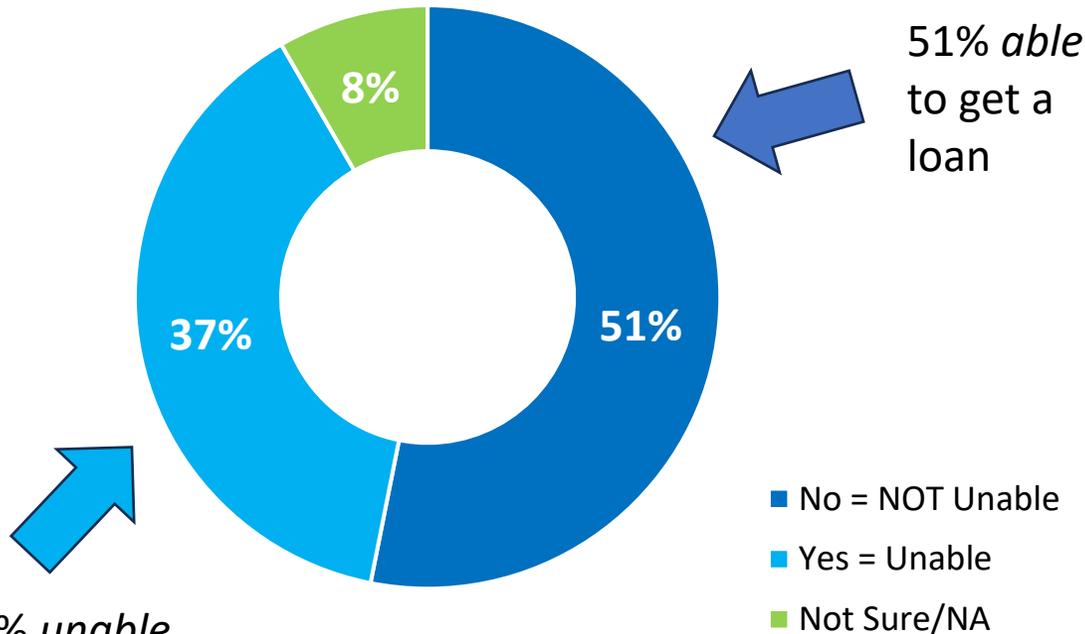


Among former high-interest loan recipients who needed extra cash after the rate cap went into effect, we found that a majority were able to get it – this stands in contrast to a misleading finding from the Online Lenders Association (OLA) survey of their own customers, which claimed a much higher number were unable to get loans.

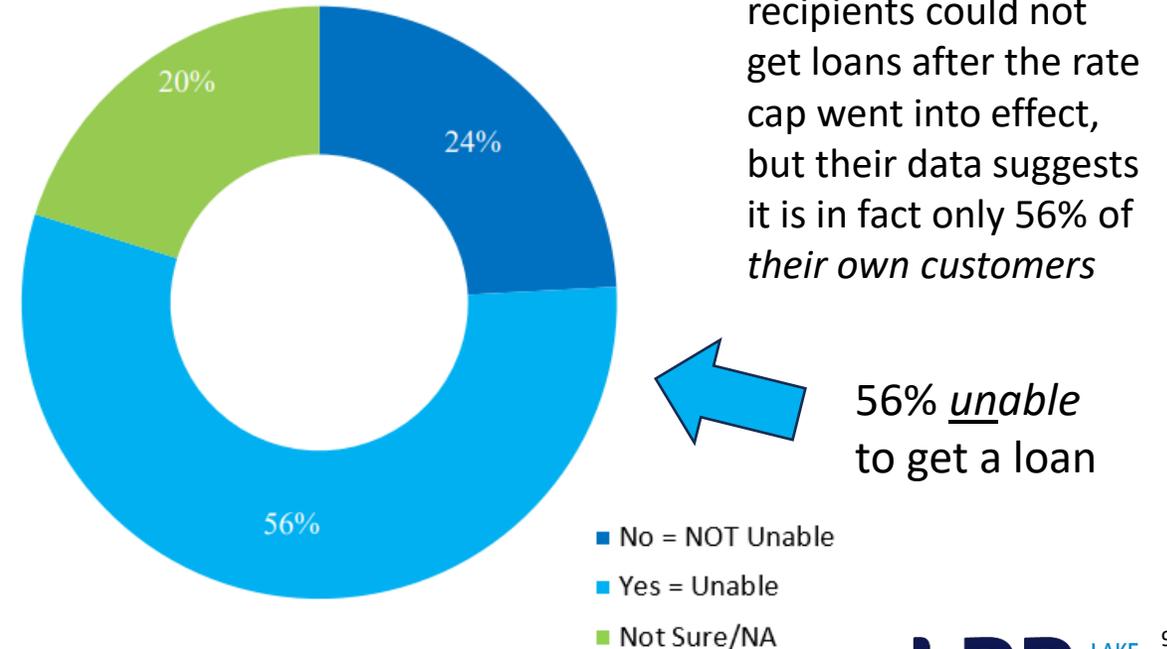
Unable to Borrow Money Since 2021

Question Text: Since March 2021, have you been unable to borrow money from a lender when you needed it?

LRP survey of high-interest loan recipients who reported needing extra cash after March 2021:



OLA survey of their own customers:



OLA claims “nearly three quarters” of high-interest loan recipients could not get loans after the rate cap went into effect, but their data suggests it is in fact only 56% of *their own customers*

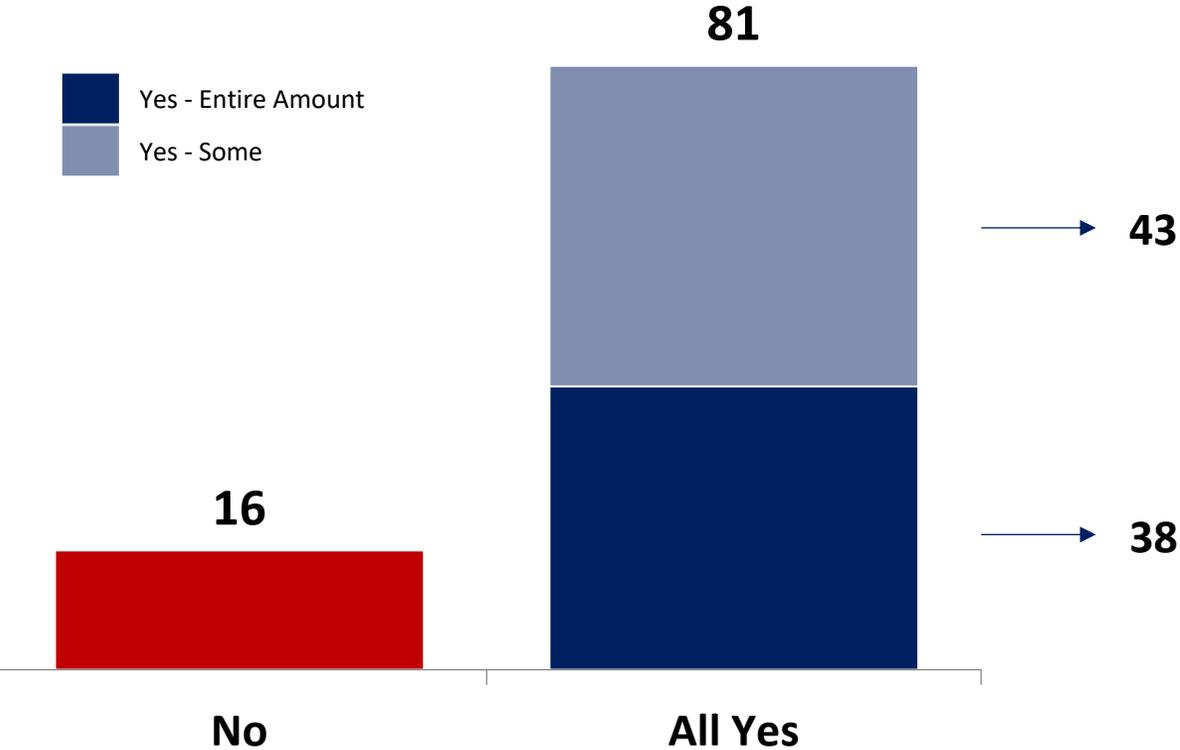
37% unable to get a loan

Among former high-interest loan recipients who applied for a loan after the rate cap went into effect, eight in ten were able to borrow at least some money, including nearly four in ten who were able to borrow the full amount they wanted. Two thirds of those who applied for credit received it.

Able to Get Loan or Credit Among Former High-Interest Loan Recipients Who Attempted

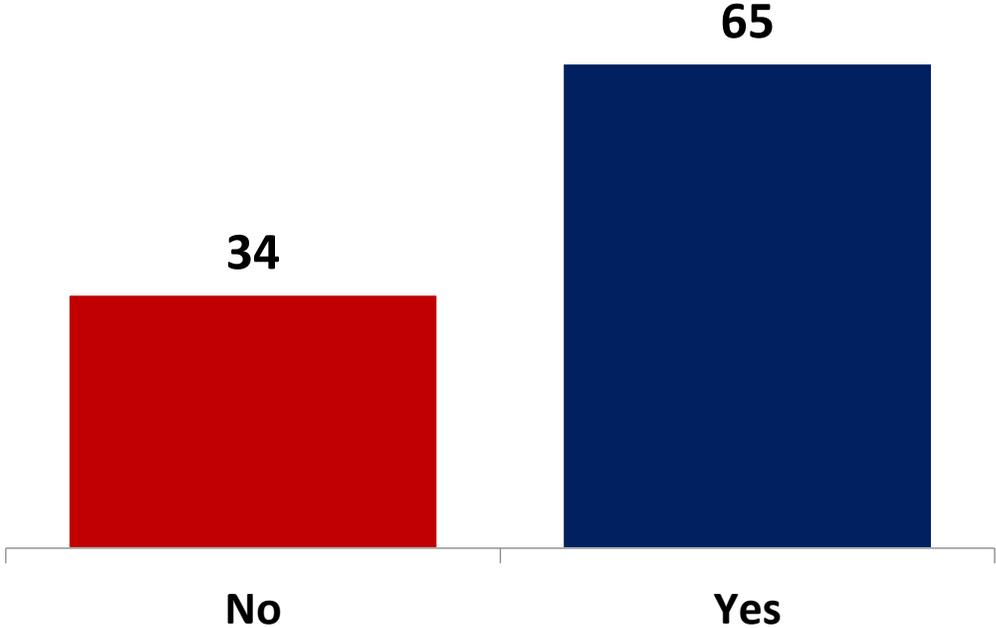
Attempted to Take Out Loan

Question Text: Were you able to borrow money?



Attempted to Get Credit

Question Text: Were you approved for the card or credit line increase?



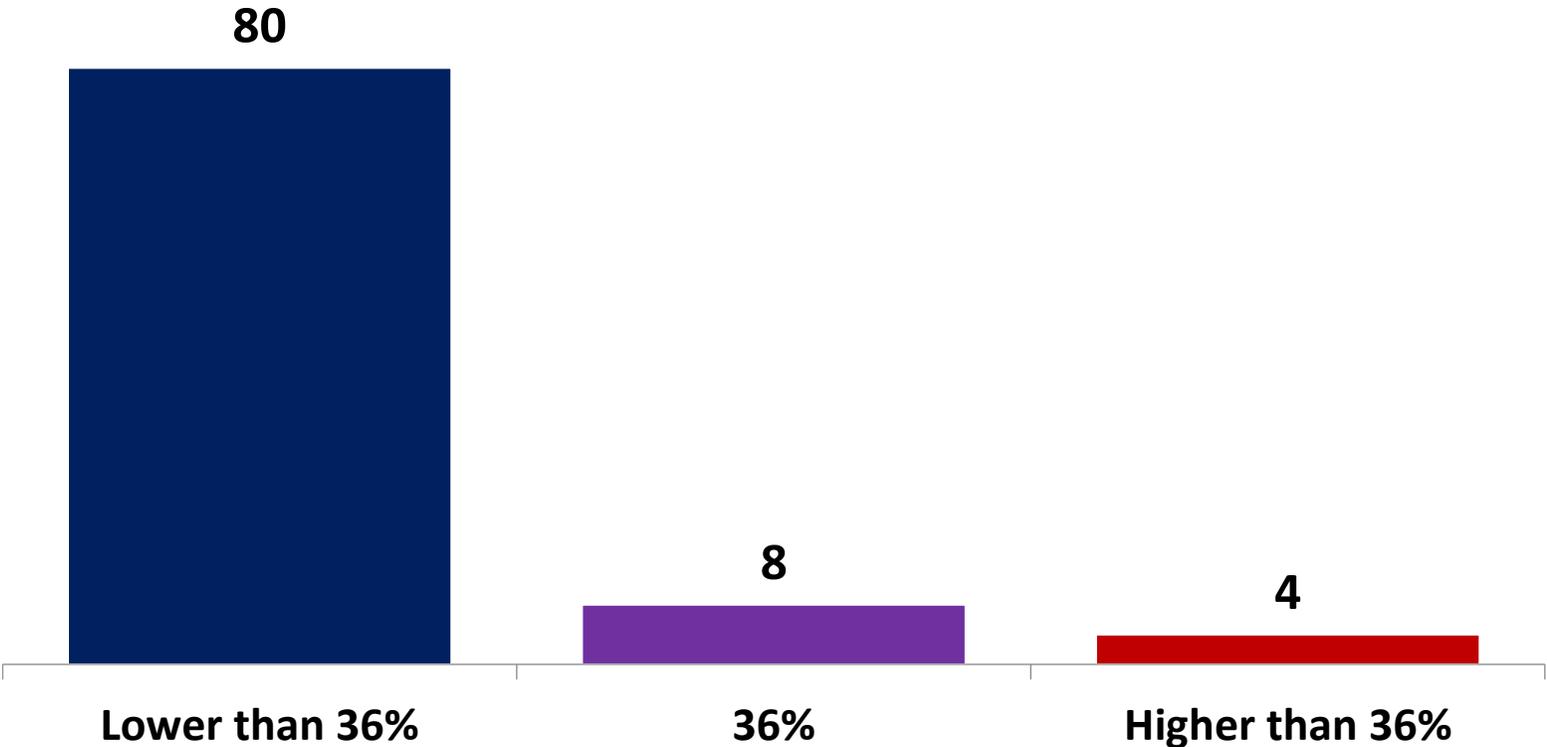


Legislation

Illinois voters overwhelmingly believe the cap on interest rates should be *lower* than 36%. This view is remarkably consistent across demographics and party affiliation.

The Cap on Interest Rates Should Be... Among Likely Voters

Question Text: Do you believe... [ROTATE] Companies should be able to charge interest rates higher than 36%; The cap on interest rates should be 36%; The cap on interest rates should be lower than 36%?



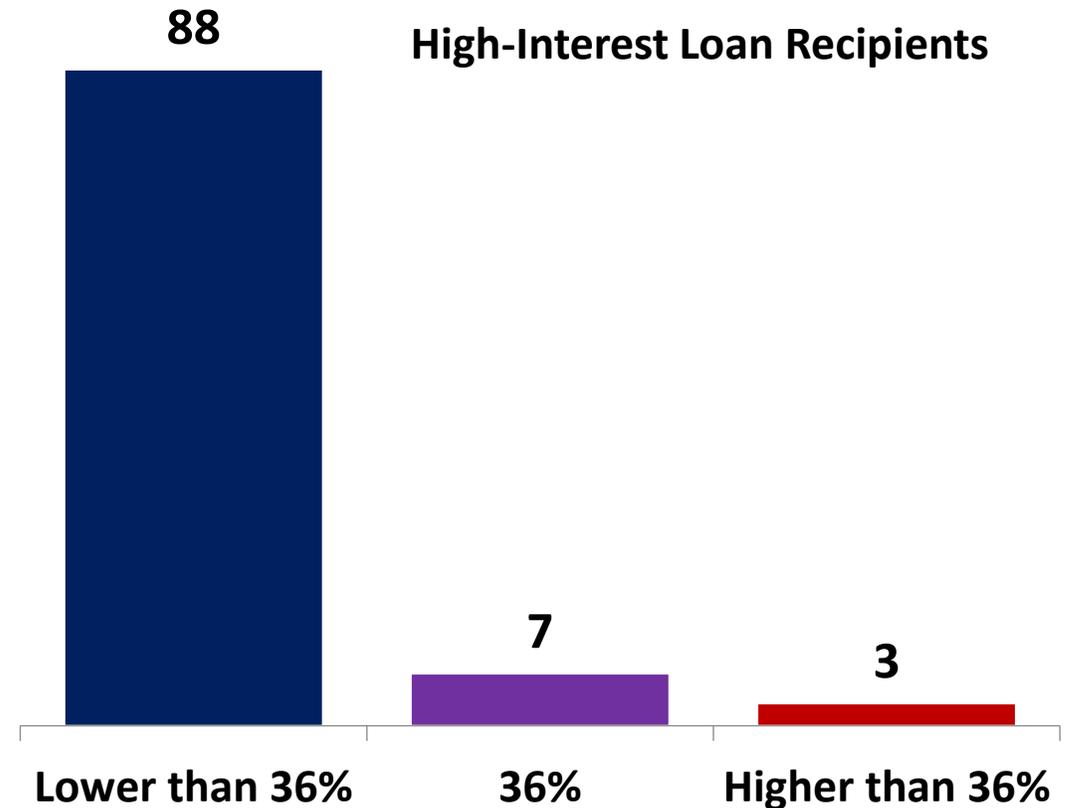
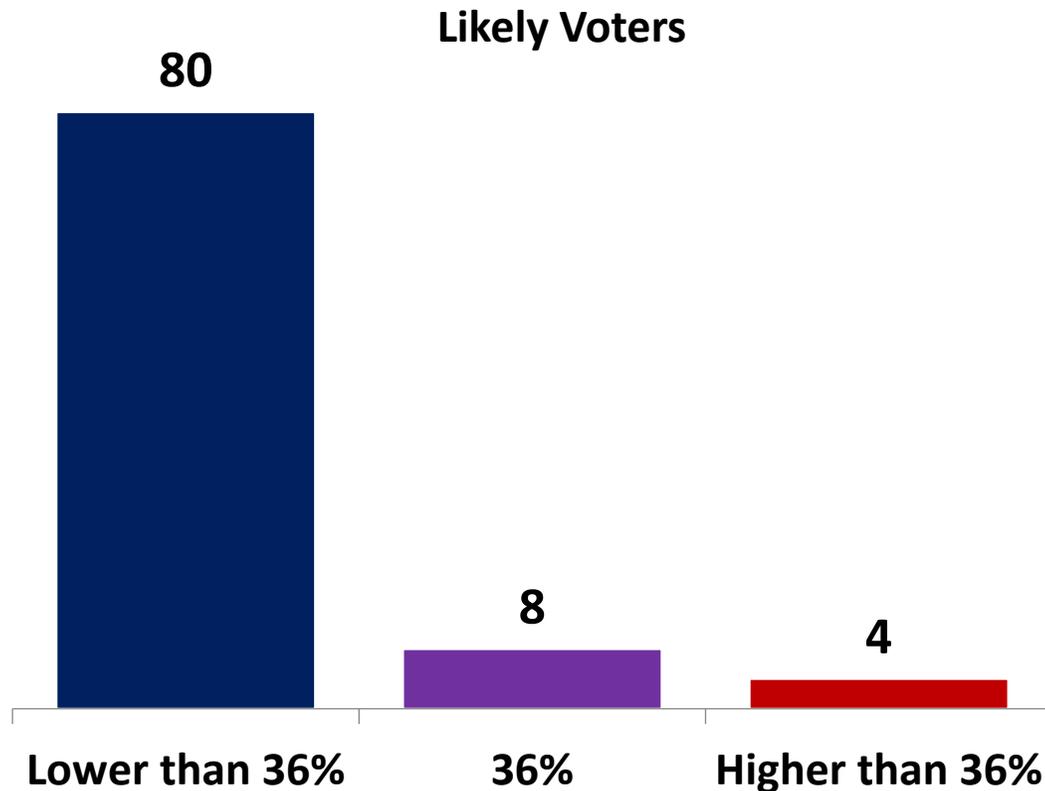
Lower Than 36%

Total	80%
Men <50	73%
Women <50	86%
Men 50+	78%
Women 50+	82%
White	80%
Black	81%
Latino	82%
Democrat	84%
Independent	74%
Republican	78%
Non-College	82%
College	77%
Below \$60k	81%
Above \$60k	79%
Chicagoland	80%
Downstate	80%

While both groups overwhelmingly say the cap on interest rates should be lower than 36%, former high-interest loan recipients are even more supportive of a lower rate cap than likely voters.

The Cap on Interest Rates Should Be...

Question Text: Do you believe... [ROTATE] Companies should be able to charge interest rates higher than 36%; The cap on interest rates should be 36%; The cap on interest rates should be lower than 36%?



Illinois voters support the 36% rate cap by a two-to-one margin, even with very limited information about it. But once they learn that rates used to be *higher* before the rate cap went into effect, support shoots up. This data reveals that most of those who initially were unsure about the 36% interest rate cap or opposed thought it was too *high* or did not understand that it lowered rates.

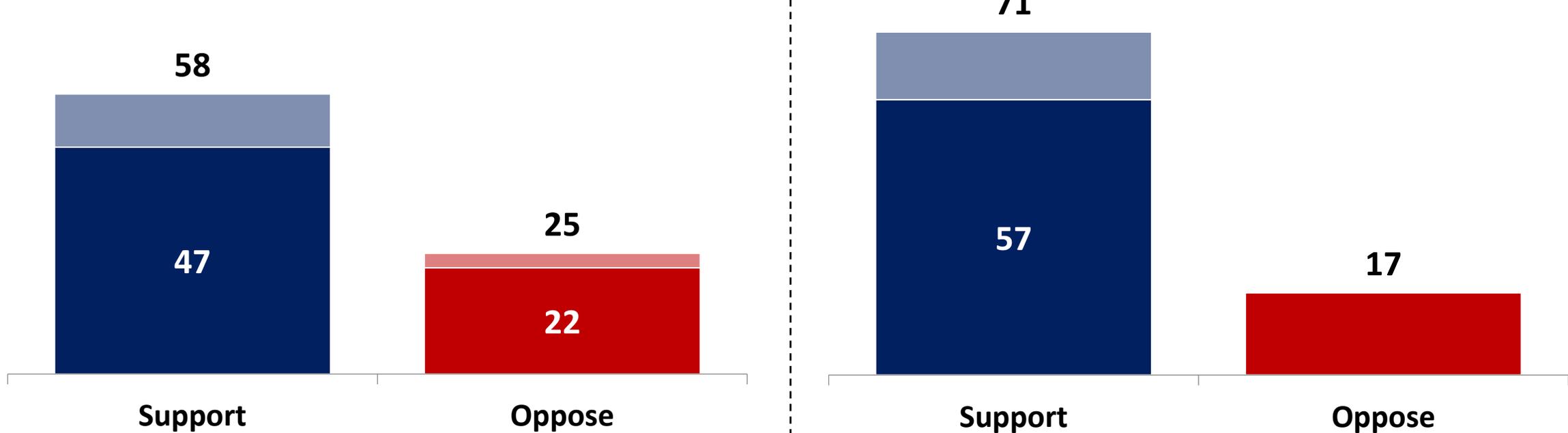
Support for 36% Rate Cap Among Likely Voters

Question Text: As you may know, a law took effect in Illinois in 2021 lowering the maximum interest rate lenders may charge to no more than 36% on payday, auto title, and other loans. This is known as a rate cap. Do you support or oppose this 36% interest rate cap?

Question Text: Now let me give you a little more information about interest rates in Illinois. Before the 36% interest rate cap was passed, the average interest rate was 178% for Illinois auto-title loans and 297% for payday loans. Knowing this, do you support or oppose this 36% interest rate cap?

Before Info

After Info

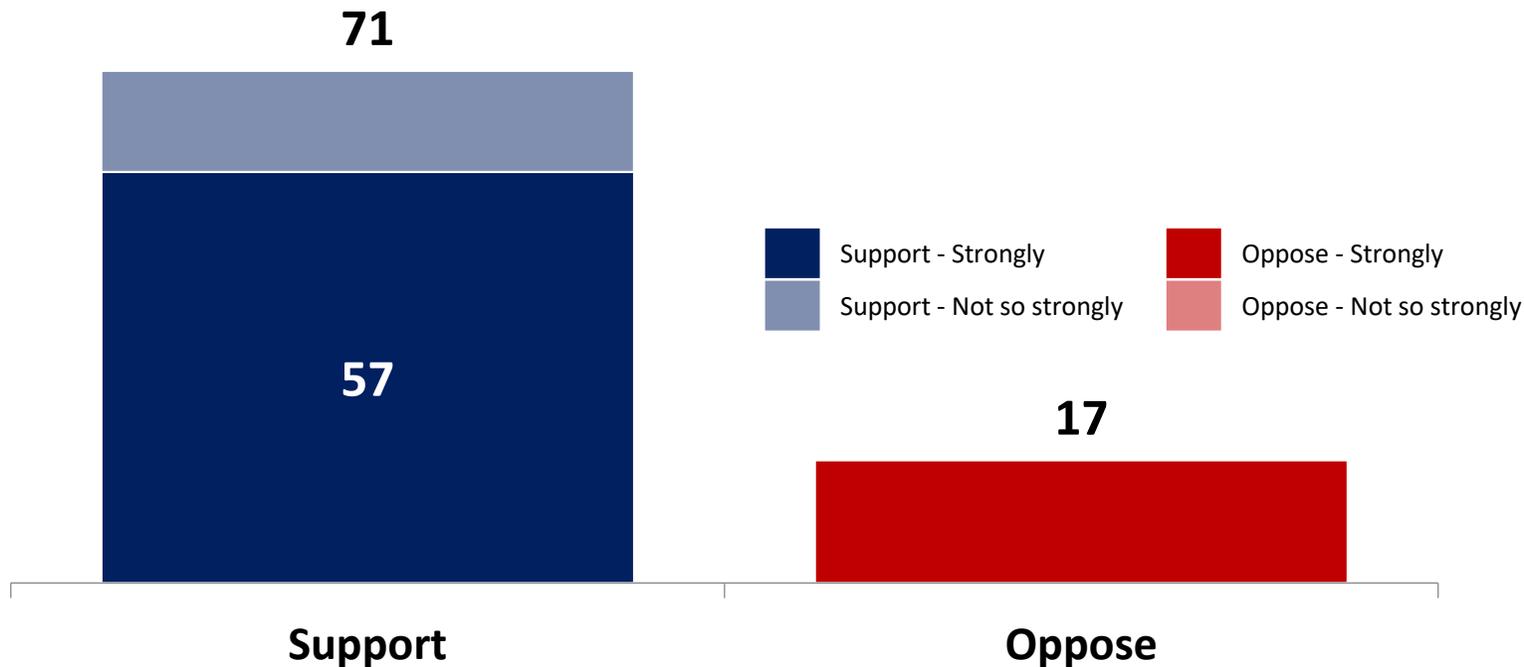


Support - Strongly Support - Not so strongly Oppose - Strongly Oppose - Not so strongly

Again, voters would like to see an even lower rate cap. However, when we look at demographics, we see that after voters learn that the 36% rate cap significantly *lowered* interest rates, support for it grows significantly across the board, particularly among older voters, women, independents, and Republicans. Across demographics, voters support the legislation by wide margins.

Support for 36% Rate Cap After Information Among Likely Voters

Question Text: Now let me give you a little more information about interest rates in Illinois. Before the 36% interest rate cap was passed, the average interest rate was 178% for Illinois auto-title loans and 297% for payday loans. Knowing this, do you support or oppose this 36% interest rate cap?



Net Support – Oppose

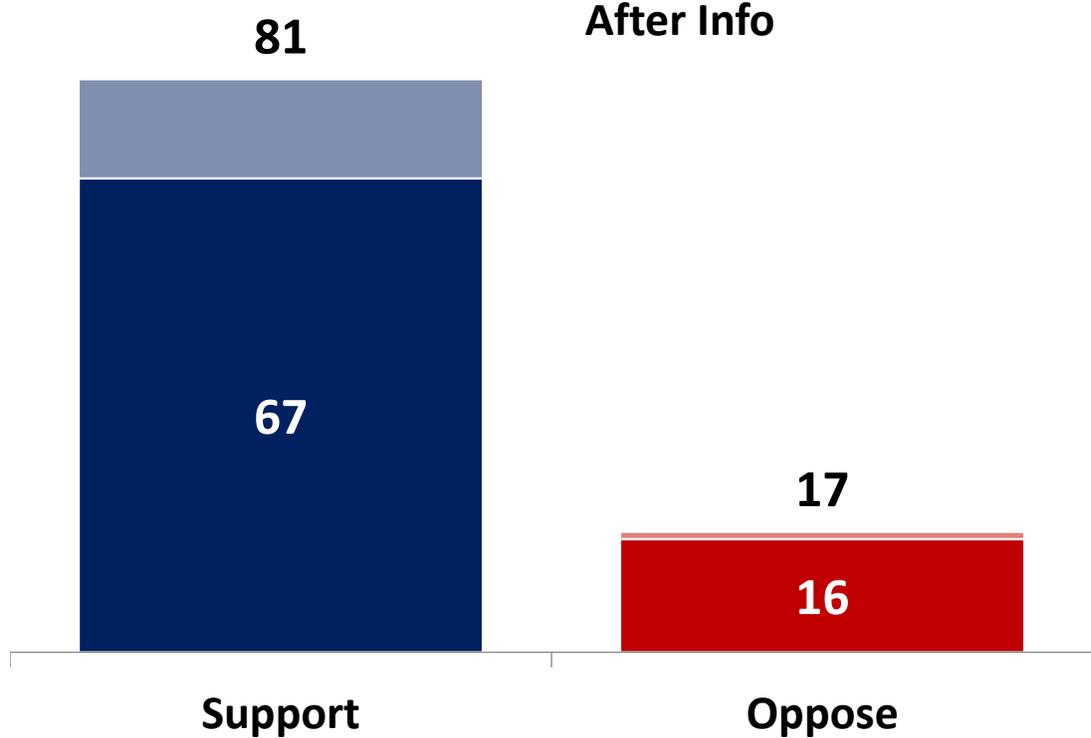
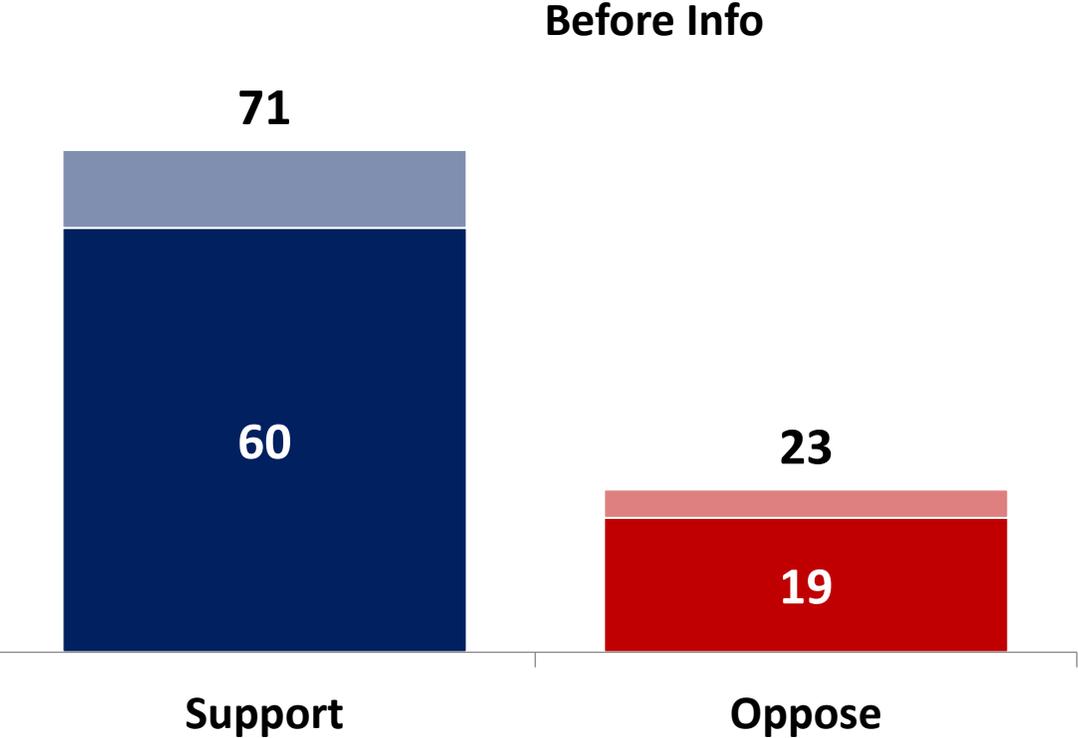
	Before	After
Total	+33	+54
Men <50	+45	+47
Women <50	+42	+60
Men 50+	+22	+50
Women 50+	+27	+59
White	+36	+58
POC	+27	+42
Democrat	+50	+66
Independent	+7	+36
Republican	+31	+55

Former high-interest loan recipients are even more likely to support the 36% rate cap than likely voters – right off the bat seven in ten do, with six in ten *strongly* in support – and after they learn that rate cap lowered rates, support grows by +10 points (and +7 points of strong support).

Support for 36% Rate Cap Among High-Interest Loan Recipients

Question Text: As you may know, a law took effect in Illinois in 2021 lowering the maximum interest rate lenders may charge to no more than 36% on payday, auto title, and other loans. This is known as a rate cap. Do you support or oppose this 36% interest rate cap?

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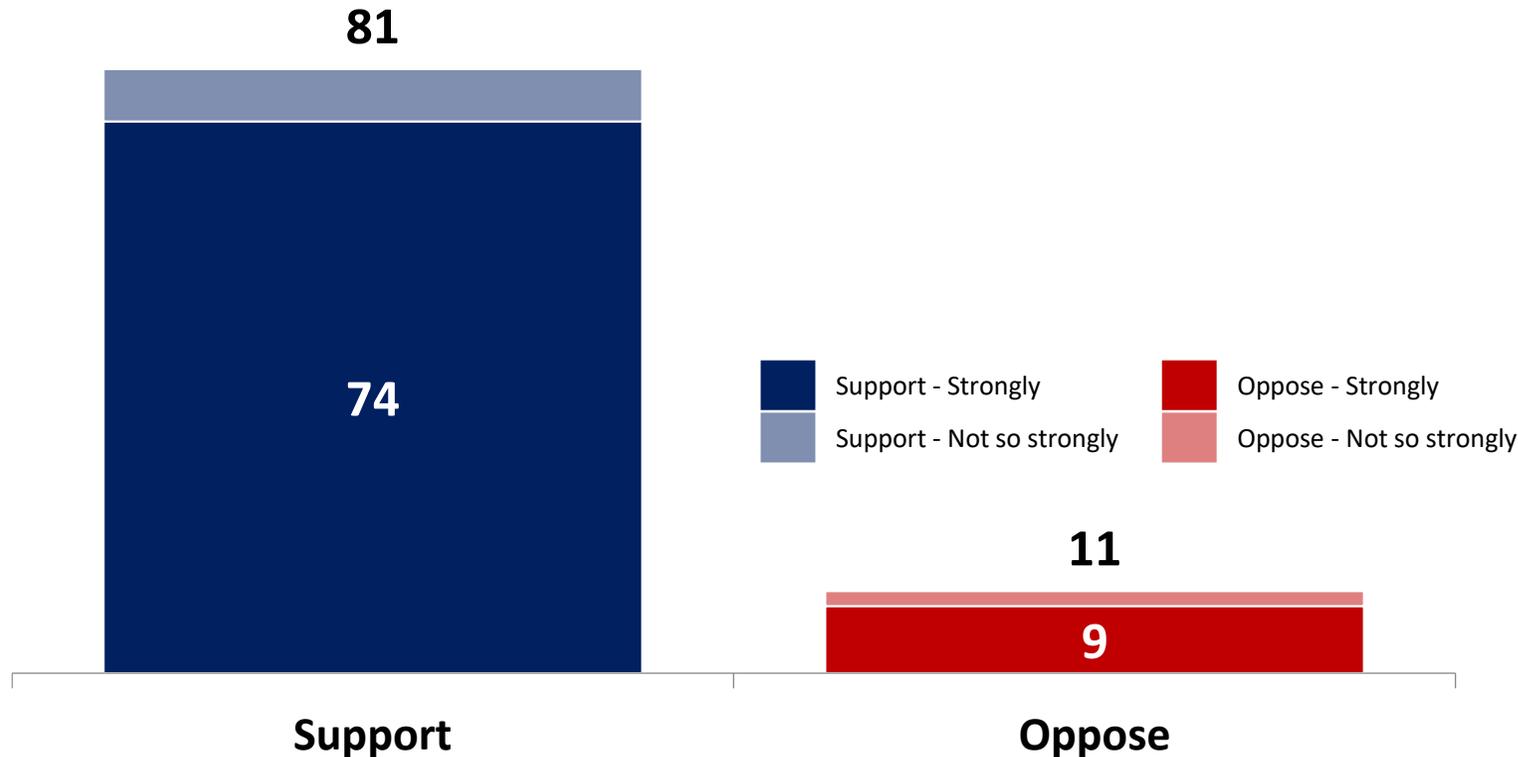


Support - Strongly Support - Not so strongly Oppose - Strongly Oppose - Not so strongly

Illinois likely voters overwhelmingly support requiring small business lenders to disclose the APR of their loans, with very high intensity. Support is strong across demographics and political affiliation. Though it is particularly high among Democrats, wide majorities of independents and Republicans also support requiring APR disclosure.

Support for APR Disclosure Among Likely Voters

Question Text: Now I want to ask you about a different law: The Illinois state government is now considering a new law that would require lenders who lend to small businesses to disclose the interest rate (also called the annual percentage rate or APR) of their loans. Do you support or oppose this new law requiring companies to disclose their interest rates on small business loans?



Net Support – Oppose

Total	+70
Men <50	+67
Women <50	+65
Men 50+	+69
Women 50+	+76
White	+73
POC	+62
Democrat	+80
Independent	+54
Republican	+69

LRP LAKE RESEARCH PARTNERS

Strategy · Precision · Impact



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