2019 REPORT

# Financial Drain:

## PAYDAY LENDERS EXTRACT MILLIONS FROM HOOSIER COMMUNITIES


PREPARED BY

Indiana Institute for Working Families
Indiana Assets & Opportunity Network

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### Executive Summary

In 2002, the Indiana General Assembly granted payday lenders an exemption to Indiana's criminal loansharking statute, which sets a maximum annual percentage rate (APR) rate of 72%. Today, 262 payday loan storefronts make small loans with rates up to 391% APR in Indiana.

KEY FINDINGS:

- Eighty-six percent of payday storefronts are operated by **out-of-state parent companies**.
- Storefront payday borrowers have **a median annual income of $19,752 and borrow an average of eight to 10 loans** per year.
- Over the past five years, payday lenders have drained an estimated **$322,049,432 in finance charges** from these Hoosier borrowers.
- Payday storefronts in Indiana are **disproportionately located in lower-income neighborhoods and communities of color**.
- If this debt had been financed at 36% APR, these Hoosier borrowers and their communities could have **benefitted from an additional $291,307,803** over the past five years to spend in their local economies.

***Over the past five years, payday lenders have extracted more than $300 million from Hoosier households and communities.***

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## Acknowledgements

This report was made possible through the generous support of the Glick Fund. Gene and Marilyn Glick established the Glick Fund, a fund of Central Indiana Community Foundation, in 1998 to support a variety of causes in Central Indiana. The Glick Fund is focused on making a measurable impact in the following areas:

- Increasing educational opportunities;
- Promoting arts and creative expression;
- Supporting efforts toward self-sufficiency; and
- Alleviating human suffering and helping those in need.

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## About the Indiana Institute for Working Families

The Institute for Working Families recognizes that when Hoosiers are financially stable, they can achieve their full potential and contribute to their communities, and that public policy plays an important role in building families' economic well-being. Since 2004, the Institute has successfully shaped public policy decisions through research, education, and coalition-building.

## About the Indiana Assets & Opportunity Network

The Indiana Assets & Opportunity Network builds cross-sector partnerships to support programs and policies that increase asset acquisition for low-wealth Hoosiers and strengthen local economies.

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## What are Payday Loans?

Payday loans are high-cost, small-dollar loans with payments due in full typically when the borrower receives his or her next paycheck, Social Security deposit, pension, or other source of income. Payday lenders do not assess whether a loan is affordable in light of a borrower's income and expenses. Instead, the lender typically takes a post-dated check or authorization to debit the borrower's checking account as security for the loan, giving the lender first-in-line access for repayment on payday. In Indiana, the Annual Percentage Rates (APRs) for these loans can legally reach as high as 391 percent.[i]

At the urging of payday lenders, the Indiana General Assembly authorized small loans in 2002. This action followed a decision by the Supreme Court of Indiana in *Livingston vs Fast Cash USA Inc.,* in which the Court held that all lenders must comply with Indiana's 36% interest rate cap and 72% loansharking law – including those making small loans. **Unhappy with this ruling, the payday lenders sought, and the legislature granted, a carve-out from Indiana's interest rate caps and loansharking law**.

The state legislature created a new chapter in Indiana's consumer credit code (UCCC) that permitted a fee-based loan with a minimum term of 14 days. These loans are exempt from Indiana's 36% interest rate cap and 72% loansharking law. The fee structure of payday loans in Indiana is as follows:

- **Consumers may borrow**: 20% of their monthly gross income up to $605. The upper limit is indexed for inflation.
- **Finance charges:** 15% of the first $250; 13% of amounts over $250 and less than $400; and 10% of amounts over $400.
- **Minimum term:** The loan term must be set for at least 14 days.

Table 1 shows several examples and the maximum APR allowed. Lenders typically charge the maximum rate allowed in the state, regardless of the number of competitors in the state or whether they must charge less in another state in which they operate.[ii]

TABLE 1. Indiana Payday Loan Examples

| Loan Amount: | Finance Charge: | Min. Borrower Income Needed: | Maximum APR: |
|---|---:|---:|---:|
| **$200** | $30 | $1000/month ($12k/year) | 391% |
| **$350** | $50.50 | $1750/month ($21k/year) | 376% |
| **$400** | $57 | $2000/month ($24k/year) | 371% |
| **$605** | $77.50 | $3025/month ($36.3k/year) | 334% |

*Source: Author's Calculations Based on Indiana Small Loans Law (IC 24-4.5-7)*

Loan renewals – in which a borrower pays an additional fee to receive an extension of the loan term – are not permitted in Indiana. However, borrowers can take out a new loan on the same day that they pay off a previous loan; this cycle can be repeated six times before a payday lender must wait seven days to make a new loan to the borrower. **In Indiana, 60% of payday loans are reborrowed on the same day that the previous loan was paid off, and 82% are reborrowed within 30 days.**[iii]

While detailed information on Hoosier borrowers is not available, national data from Clarity Services, Inc., a credit reporting agency owned by Experian, reports that **storefront payday loan borrowers have a median income of $19,752 per year.**[iv] At the same time, reports from Veritec, the database payday lenders use in Florida, a state which has lending legislation similar to what exists in Indiana, suggests that the average number of loans per borrower is between eight and nine.[v] Similar patterns have been reported elsewhere.[vi] In other words, Hoosier payday loan borrowers are likely to have low incomes that make it difficult to repay these loans in full on their next payday, and thus become ensnared in the payday lenders' trap of cycles of high-cost debt.

## Which Companies Make Payday Loans?

In Indiana, 29 entities are licensed to offer small loans, and have a combined total of 262 storefront locations across the state. However, as Table 2 indicates, five of these licensees – all headquartered outside of Indiana – operate nearly 80 percent of the branches. In total, 86 percent of payday loan storefronts are licensed by parent companies located outside Indiana. The largest Indiana-based licensee, G & R Advance (A-1 Cash Advance) operates just five branches – or 2 percent – of the total storefronts in Indiana. Appendix 1 lists all licensees, their headquarters, and their number of branches in Indiana.

TABLE 2. Licensees and Share of Total Storefronts

| **Licensee:** | **Headquartered in:** | **Storefronts in Indiana:** | **Share of total storefronts:** |
|---|---|---|---|
| Advance America, Cash Advance Centers of Indiana, Inc. | Spartanburg, SC | 76 | 29% |
| Check into Cash of Indiana, LLC | Cleveland, TN | 59 | 23% |
| Great Lakes Specialty Finance (Check 'n Go) | Fairfield, OH | 26 | 10% |
| Populus Financial Group, Inc. (Ace Cash Express) | Irving, TX | 23 | 9% |
| Hoosier Check Cashing of Ohio, LTD, LLC (Check $mart) | Dublin, OH | 21 | 8% |
| | | **Top Five Licensees:** | **79%** |

*Source: Indiana Department of Financial Institutions, 2019*

## Financial Drain from Payday Lending

Over the past five years, payday lenders have drained an estimated $322,049,432 in finance charges[vii] from borrowers in Indiana. Research studies and reports from the databases used to track payday lending in other states suggest that the average number of loans per borrower is between eight and 10 per year. In fact, an estimated 80-85 percent of the finance charges payday lenders collect are from loans to borrowers with seven or more loans per year.[viii]

TABLE 3. Payday Lenders Drain Millions Annually for Small Loans

| | Number of loans | Estimated Number of Borrowers[ix] | Average loan size | Estimated finance charge drain |
|---|---|---|---|---|
| **2014** | 1,504,864 | 150,000-188,000 | $334.32 | $72,925,709 |
| **2015** | 1,410,445 | 141,000-176,000 | $336.87 | $68,815,611 |
| **2016** | 1,303,300 | 130,000-163,000 | $339.24 | $63,992,030 |
| **2017** | 1,195,038 | 120,000-149,000 | $345.86 | $59,704,098 |
| **2018** | 1,113,804 | 111,000-139,000 | $352.52 | $56,611,984 |
| | | | **5-Year Total:** | **$322,049,432** |

*Source: Author's Calculation Based on Indiana Department of Financial Institutions Data, 2019*

## Payday Loan Storefront Locations

Sixty-four (64) of Indiana's 92 counties have at least one payday loan storefront. However, as Table 4 shows, Marion (Indianapolis), Lake (Crown Point), and Allen (Fort Wayne) counties are home to one-third of all of Indiana's payday lending storefronts. Maps of payday lending storefronts statewide and in Marion County, as well as a full list of counties with number of storefronts can be found in Appendixes 2, 3, and 4, respectively.

TABLE 4. Marion, Lake, and Allen Counties Contain a Third of All Payday Storefronts

| County | Number of Storefronts | Percent of Total Storefronts |
|---|---|---|
| **Marion** | 52 | 20% |
| **Lake** | 21 | 8% |
| **Allen** | 12 | 5% |
| **TOTAL** | 85 | 33% |

*Source: Indiana Department of Financial Institutions, 2019*

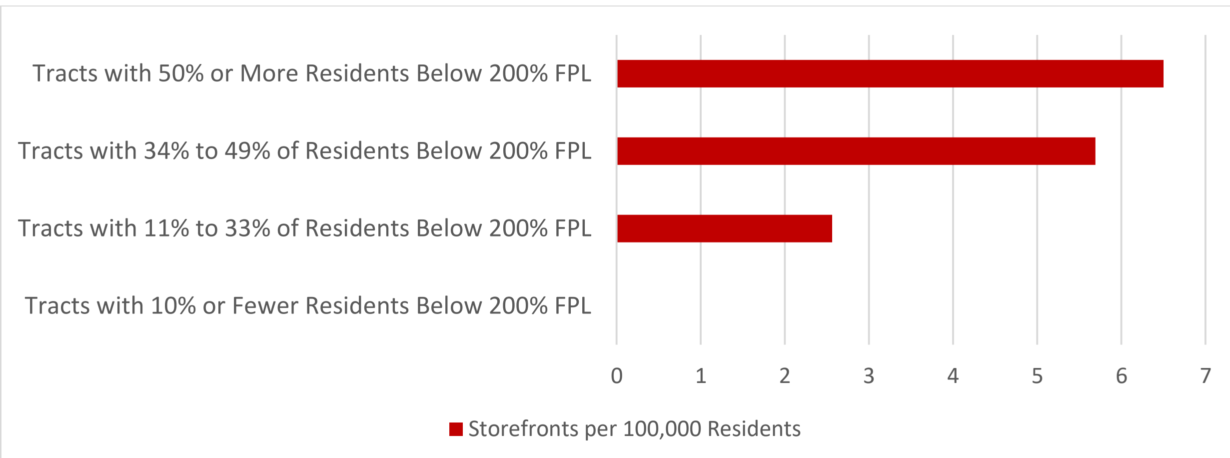
A more in-depth analysis[x] of storefront locations finds that these are disproportionately located in low-income communities and communities with higher concentrations of Black and Latinx Hoosiers. In Indiana, median household income for 2013-2017 was $52,182. Figure 1 shows the number of storefronts per 100,000 residents in census tracts with median household incomes above, near, and below state median household income. Census tracts with median household incomes at or below 80% of the state median have substantially more payday loan storefronts per 100,000 residents than those tracts with household incomes at or above the state median.

FIGURE 1. Payday Loan Storefronts are Disproportionately Located in Lower-Income Census Tracts


*Source: Author's Calculations Based on American Community Survey Data, 2013-2017*

Payday borrowers are typically from Asset-Limited, Income Constrained and Employed (ALICE) households – working, but struggling to keep up with their bills.[xi] The Indiana Self-Sufficiency Standard suggests that for many families, incomes at 200% of the federal poverty level (FPL) or above are necessary to afford a basic needs budget. Figure 2 shows that payday lenders are far more likely to be located in census tracts with a higher proportion of individuals whose incomes fall below 200% of the federal poverty level. By lending to borrowers who cannot afford to repay the loan and still meet their other expenses, lenders can reap the benefits of loan churn. Meanwhile, borrowers are more likely to experience overdraft fees, bank account closures, difficulty paying bills, decreased job performance, and bankruptcy.[xii] More than four in 10 borrowers ultimately turn to another source of credit or financial assistance to pay off payday loan debt, suggesting that these loans also serve as a drain on philanthropic and charitable resources.[xiii]

FIGURE 2. Payday Loan Storefronts are Concentrated in Tracts with More Residents Below Self-Sufficiency

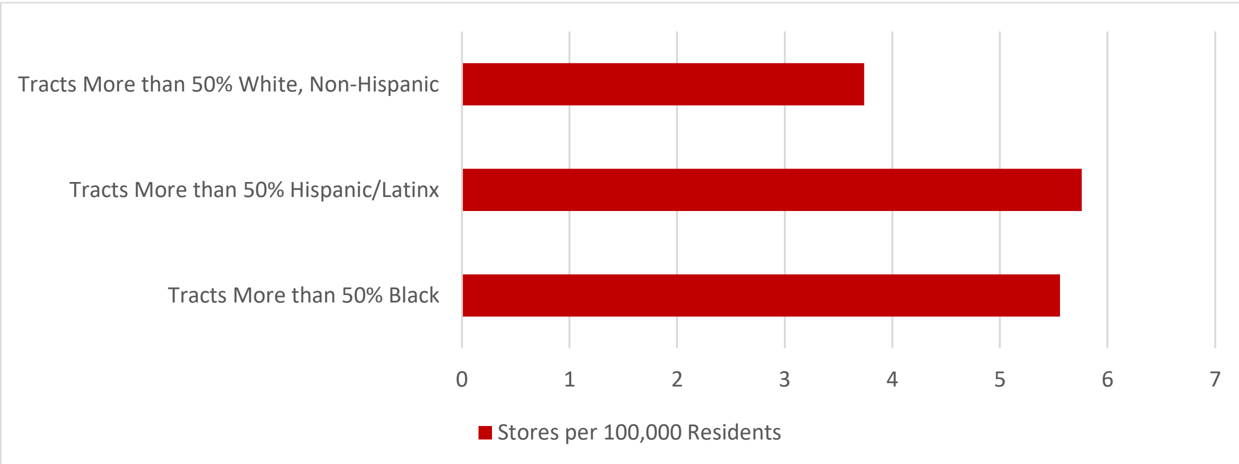



*Source: Author's Calculations Based on American Community Survey Data, 2013-2017*

Payday lenders also capitalize on the long-term harms of redlining and other forms of discrimination and disinvestment in communities of color by placing their storefronts in these communities. In 2016, white households had an average net worth seven times greater than black family wealth and five times greater than Hispanic family wealth.[xiv] Family and community wealth serve as important reserves in times of financial distress – a resource Black and Latinx families have limited access to.

Figure 3 illustrates that the concentration of payday loan storefronts in Indiana is higher in census tracts that have majority Black or Latinx populations. Studies in other states have also demonstrated that payday lenders tend to target communities of color; and, likely due in part to disparate access to wealth and to financial services, these consumers are more likely to borrow from payday loan storefronts.[xv] For example, Pew Charitable Trusts found that African Americans are 105% more likely to have had a payday loan in the last five years. This disparity is even more striking in light of the fact that African Americans are less likely to have a checking account, which is a prerequisite to taking out a payday loan.

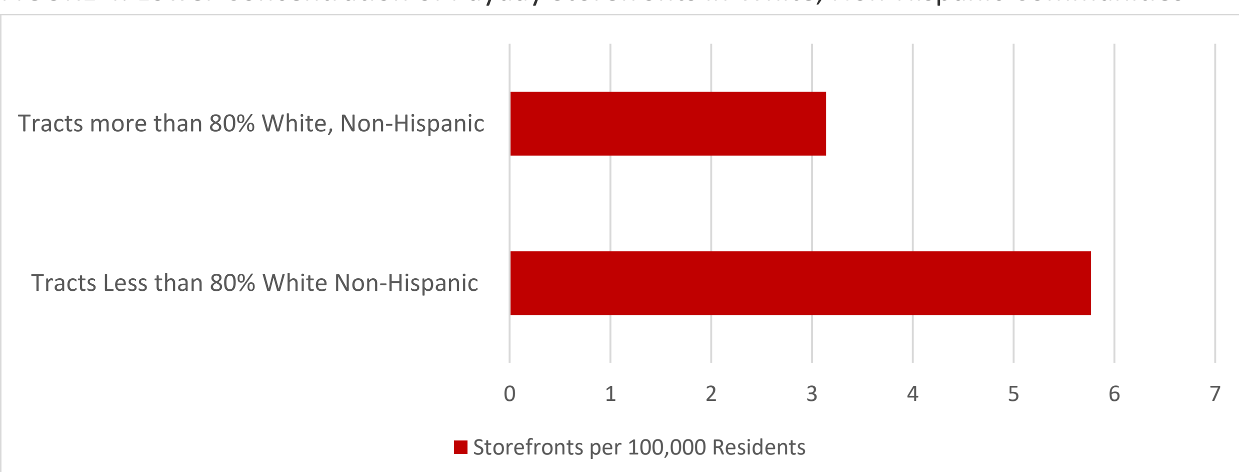
FIGURE 3. Payday Storefronts are More Concentrated in Communities of Color




*Source: Author's Calculations Based on American Community Survey Data, 2013-2017*

Because Indiana has few census tracts with more than 50% Black or Latinx residents (n=107 and 11, respectively), another way to examine the relative concentration of payday storefronts is to divide census tracts that are greater or less than 80% White, Non-Hispanic – the state average. Again, as Figure 4 shows, those communities with more non-white and/or Hispanic residents have higher concentrations of payday loan storefronts.

FIGURE 4. Lower Concentration of Payday Storefronts in White, Non-Hispanic Communities




*Source: Author's Calculation Based on American Community Survey Data, 2013-2017*

## Reimagining the Landscape of Small-Dollar Lending

In response to the harms of payday lending, the U.S. Department of Defense and 17 states have implemented rate caps of 36% APR or lower. Rate caps drive out the payday loan companies that profit from targeting struggling families and encouraging repeat borrowing. If Indiana returned to a 36% rate cap on small dollar loans, would-be payday loan borrowers would engage in a variety of other options to meet their needs, including choosing not to borrow at all or turning to other forms of assistance more quickly.[xvi] There is also evidence to suggest that if payday storefronts were no longer as ubiquitous, finance companies would offer more small dollar loans at 36% APR or below.[xvii]

However, as Indiana considers its lending landscape and potential solutions, it is worth considering the savings that could result if all payday loan debt were refinanced at 36% APR or below. In this hypothetical scenario, as shown in Table 5, borrowers could have saved an estimated $291,307,803 over the past five years.[xviii] Given the typical borrower profile, this savings would have translated to a more profound economic impact in the communities where payday lenders drain more household income, as lower-income households tend to spend more of their income.[xix] For county-by-county estimates of financial drain and potential savings, see Appendix 4.

TABLE 5. Estimated Savings if Indiana Payday Loan Debt Had Been Financed at 36% APR

| Year | Finance Charge Drain | Cost to Borrowers at 36% APR[xx] | *Potential Savings at 36% APR* |
|---|---|---|---|
| **2014** | $72,925,709 | $6,947,000 | *$65,978,709* |
| **2015** | $68,815,611 | $6,560,790 | *$62,254,821* |
| **2016** | $63,992,030 | $6,105,049 | *$57,886,981* |
| **2017** | $59,704,098 | $5,707,156 | *$53,996,942* |
| **2018** | $56,611,984 | $5,421,634 | *$51,190,350* |
| **TOTAL:** | **$322,049,432** | **$ 30,741,629** | ***$291,307,803*** |

*Source: Author's Calculations Based on Table 3 Calculations*

## Conclusion

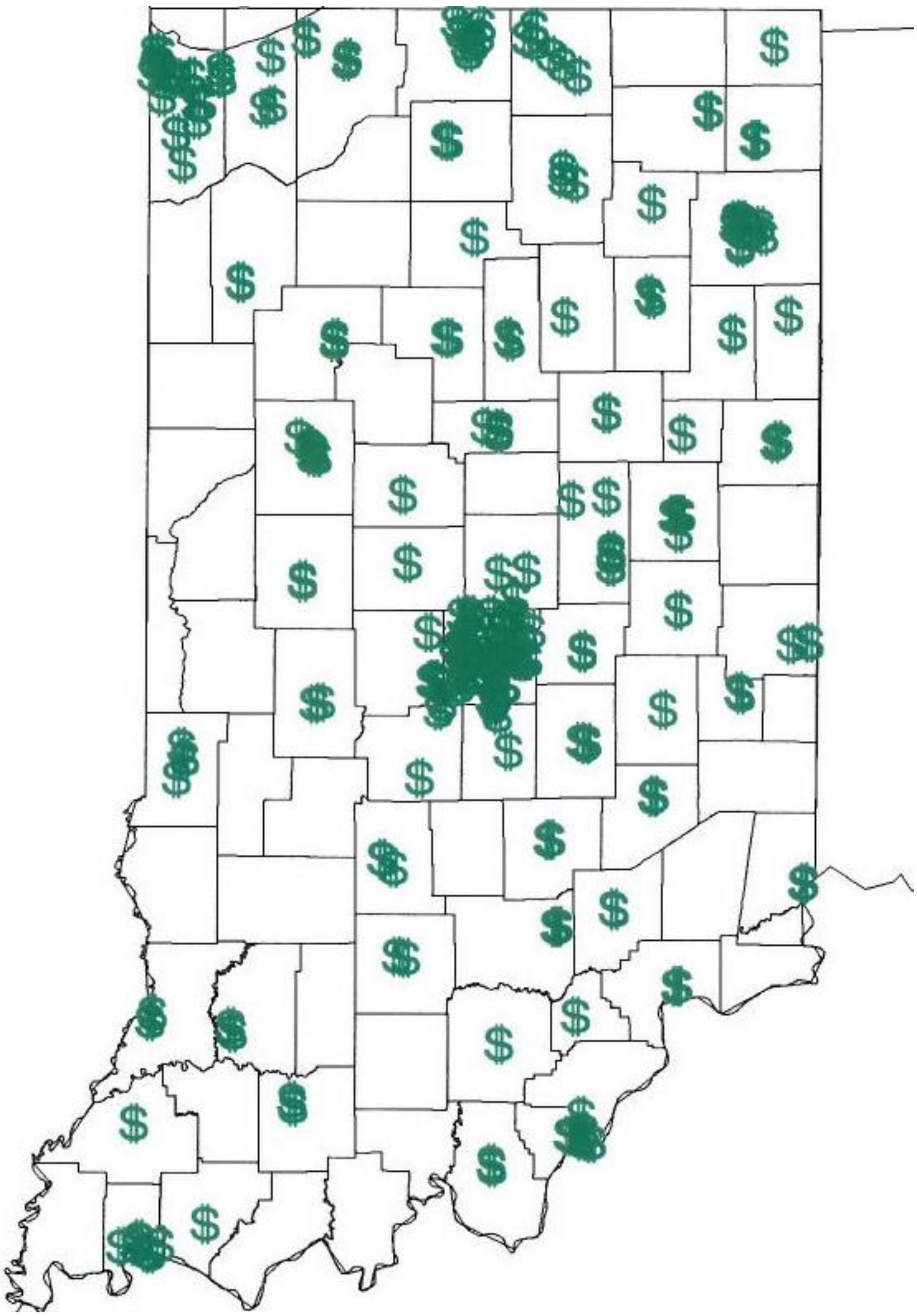
While still less than two decades old, the payday lending industry in Indiana has developed a wide footprint across Indiana, gaining a foothold in lower-income communities and communities of color. A mere $350 budget shortfall has become an opportunity to extract millions of dollars from Hoosier households – overwhelmingly to the benefit of out-of-state companies.

As Hoosier leaders seek avenues to help our neighbors and strengthen our communities and economy, payday lending reform should be part of the conversation. Other states, countries, and the United States Department of Defense have tackled this issue head-on with interest rate caps that protect consumers and encourage would-be borrowers to seek out more reasonable alternatives. The public, private, and non-profit sectors in those states are working on strategies to promote stable employment and asset development so that families have a financial cushion to fall back onto when times are tough. Indiana should join them in reforming payday lending and shoring up financial well-being, enabling more Hoosiers to channel the savings into their households and communities.

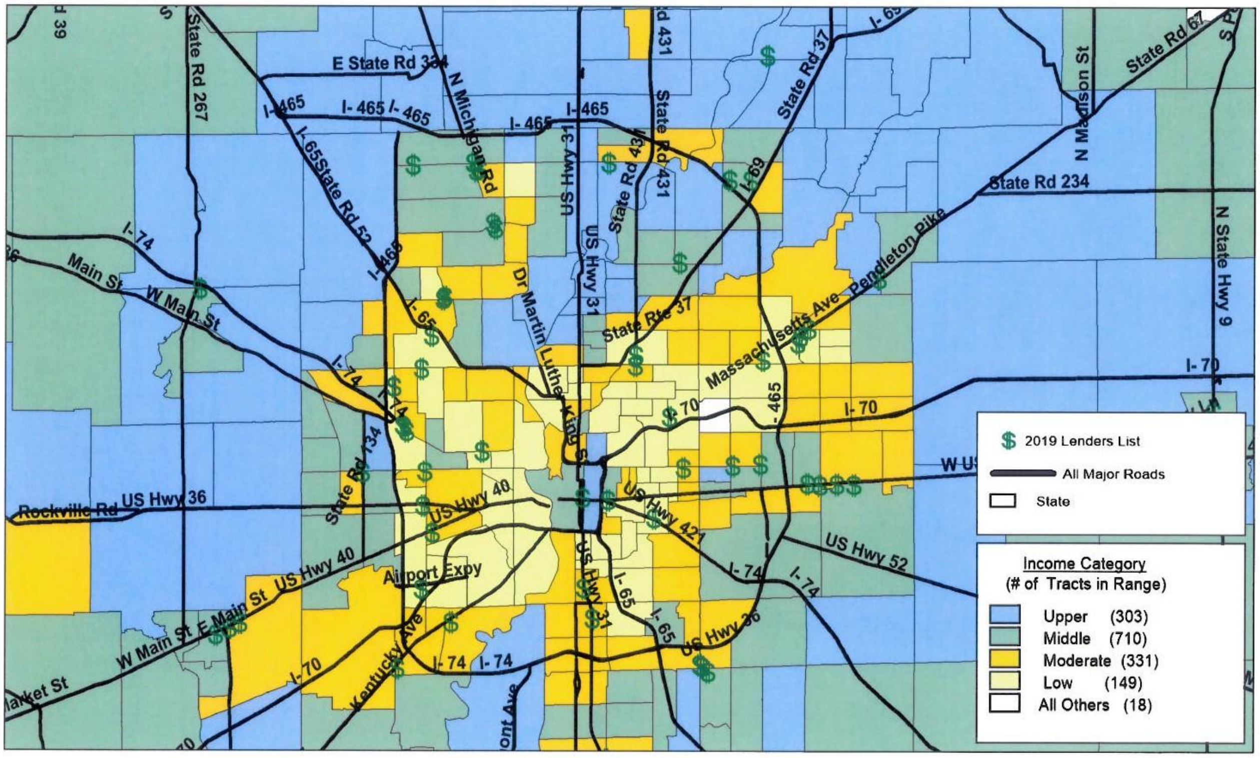
## Appendix 1. Licensees and Branches

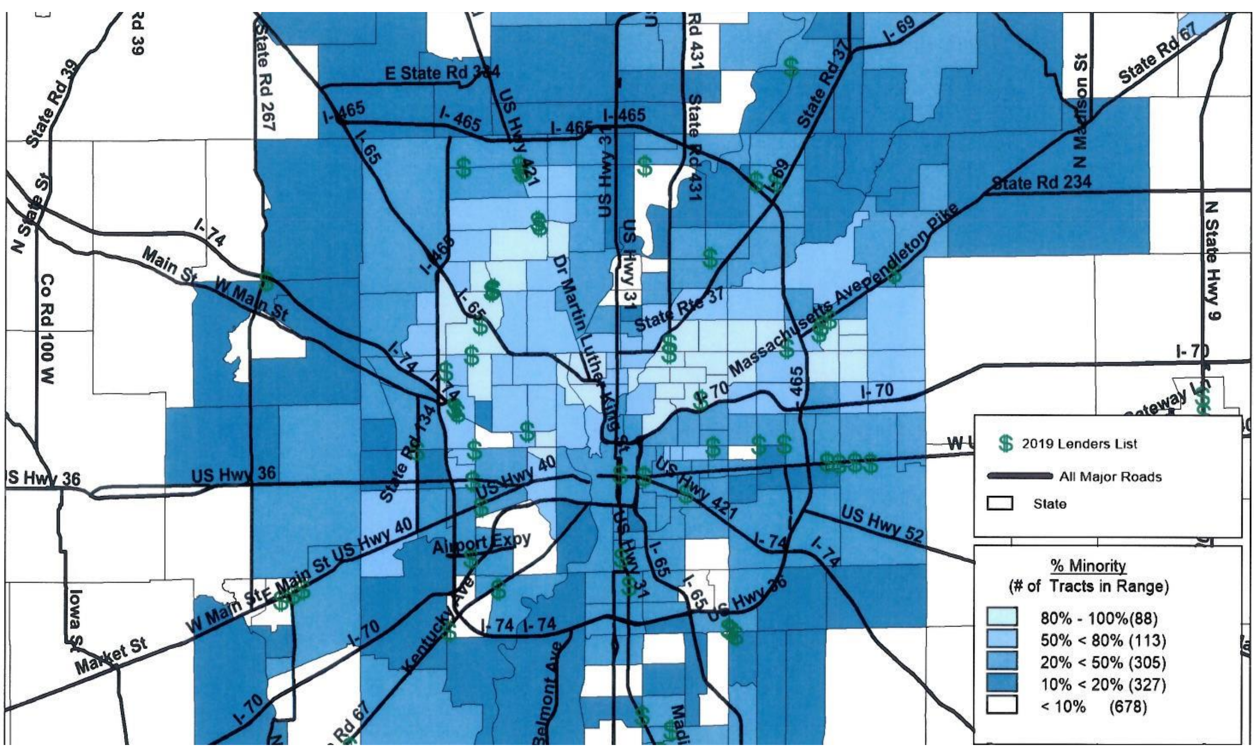
| Licensee: | Headquarters City, State: | Number of IN Branches |
|---|---|---|
| Advance America, Cash Advance Centers of Indiana, Inc. | Spartanburg, SC | 76 |
| Allied Cash Advance Indiana, LLC | Fairfield, OH | 4 |
| Allstar Rentals, Inc. | Oakland City, IN | 1 |
| Cash Depot, Inc. | Fort Wayne, IN | 1 |
| Cash in a Flash, Inc | Merrillville, IN | 4 |
| Cash King Inc. | Columbus, IN | 4 |
| Cash Loan And Security, Inc | Lafayette, IN | 4 |
| Cash Today of Indiana, Inc. | Winchester, IN | 1 |
| Cashland Financial Services, Inc. | Fort Worth, TX | 9 |
| Check Into Cash of Indiana, LLC | Cleveland, TN | 59 |
| CMM Of Indiana, LLC | New Albany, IN | 1 |
| CNU Of Indiana, LLC | Chicago, IL | 0[xxi] |
| CW Financial of IN LLC | Silver Spring, MD | 3 |
| DVB, Inc. | Greencastle, IN | 1 |
| Easy Cash Corydon, Inc. | Corydon, IN | 1 |
| G & R Advance, Inc. | Indianapolis, IN | 5 |
| Great Lakes Specialty Finance, Inc. | Fairfield, OH | 26 |
| Hoosier Check Cashing Of Ohio, Ltd, LLC | Dublin, OH | 21 |
| Indy Cash Advance, Inc. | Indianapolis, IN | 1 |
| J & G Advance, Inc. | Carmel, IN | 3 |
| J. Beety, Ltd. | Rochester, IN | 1 |
| Keywest, LLC | Indianapolis, IN | 1 |
| Lending Hand Inc. | Monticello, IN | 4 |
| M & C Association, LLC | Clarksville, IN | 1 |
| Populus Financial Group, Inc. | Irving, TX | 23 |
| SMS Finance, Inc. | Muncie, IN | 1 |
| Southern Indiana Credit Corporation | Lawrenceburg, IN | 1 |
| Speedy Check Cashers Inc | Northbrook, IL | 5 |
| The MoneyPlace of Indiana, Inc. | Union City, TN | 0 |

## Appendix 2. Map of Payday Loan Storefront Locations



## Appendix 3. Marion County Tracts, Storefronts by Income & Race



## Appendix 4. Branch Locations, Estimated Financial Drain, & Estimated Savings by County[xxii]

| County[xxiii] | Number of Storefronts | Estimated Financial Drain in 2018 | Estimated 5-Year Financial Drain (2014-2018) | *Estimated 5-Year Savings if Refinanced at 36% APR* |
|---|---|---|---|---|
| Adams | 1 | **$216,076** | **$1,229,196** | *$1,111,862* |
| Allen | 12 | **$2,592,915** | **$14,750,356** | *$13,342,342* |
| Bartholomew | 3 | **$648,229** | **$3,687,589** | *$3,335,586* |
| Blackford | 1 | **$216,076** | **$1,229,196** | *$1,111,862* |
| Boone | 1 | **$216,076** | **$1,229,196** | *$1,111,862* |
| Cass | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Clark | 7 | **$1,512,534** | **$8,604,374** | *$7,783,033* |
| Clinton | 1 | **$216,076** | **$1,229,196** | *$1,111,862* |
| Daviess | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Dearborn | 3 | **$648,229** | **$3,687,589** | *$3,335,586* |
| Decatur | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| DeKalb | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Delaware | 6 | **$1,296,458** | **$7,375,178** | *$6,671,171* |
| Dubois | 3 | **$648,229** | **$3,687,589** | *$3,335,586* |
| Elkhart | 7 | **$1,512,534** | **$8,604,374** | *$7,783,033* |
| Fayette | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Floyd | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Fulton | 1 | **$216,076** | **$1,229,196** | *$1,111,862* |
| Gibson | 1 | **$216,076** | **$1,229,196** | *$1,111,862* |
| Grant | 3 | **$648,229** | **$3,687,589** | *$3,335,586* |
| Hamilton | 3 | **$648,229** | **$3,687,589** | *$3,335,586* |
| Hancock | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Harrison | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Hendricks | 7 | **$1,512,534** | **$8,604,374** | *$7,783,033* |
| Henry | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Howard | 5 | **$1,080,381** | **$6,145,982** | *$5,559,309* |
| Huntington | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Jackson | 3 | **$648,229** | **$3,687,589** | *$3,335,586* |
| Jasper | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Jay | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Jefferson | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |

| | | | | |
|---|---|---|---|---|
| Jennings | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Johnson | 3 | **$648,229** | **$3,687,589** | *$3,335,586* |
| Knox | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Kosciusko | 3 | **$648,229** | **$3,687,589** | *$3,335,586* |
| Lake | 22 | **$4,753,678** | **$27,042,319** | *$24,460,961* |
| LaPorte | 5 | **$1,080,381** | **$6,145,982** | *$5,559,309* |
| Lawrence | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Madison | 6 | **$1,296,458** | **$7,375,178** | *$6,671,171* |
| Marion | 53 | **$11,452,042** | **$65,147,404** | *$58,928,678* |
| Marshall | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Miami | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Monroe | 3 | **$648,229** | **$3,687,589** | *$3,335,586* |
| Montgomery | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Morgan | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Noble | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Porter | 6 | **$1,296,458** | **$7,375,178** | *$6,671,171* |
| Putnam | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Rush | 1 | **$216,076** | **$1,229,196** | *$1,111,862* |
| Shelby | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| St. Joseph | 11 | **$2,376,839** | **$13,521,159** | *$12,230,480* |
| Steuben | 1 | **$216,076** | **$1,229,196** | *$1,111,862* |
| Tippecanoe | 9 | **$1,944,686** | **$11,062,767** | *$10,006,757* |
| Vanderburgh | 8 | **$1,728,610** | **$9,833,570** | *$8,894,895* |
| Vigo | 5 | **$1,080,381** | **$6,145,982** | *$5,559,309* |
| Wabash | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Warrick | 1 | **$216,076** | **$1,229,196** | *$1,111,862* |
| Washington | 1 | **$216,076** | **$1,229,196** | *$1,111,862* |
| Wayne | 3 | **$648,229** | **$3,687,589** | *$3,335,586* |
| Wells | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| White | 2 | **$432,153** | **$2,458,393** | *$2,223,724* |
| Whitley | 1 | **$216,076** | **$1,229,196** | *$1,111,862* |
| **TOTALS** | **262** | **$56,611,983** | **$322,049,433** | ***$291,307,803*** |

## Endnotes

[i]Annual Percentage Rate is a standardized measure of the cost of credit. In 1968, as part of the Truth in Lending Act (TILA), Congress required financial services providers disclose the APR of financial products to borrowers so that they can make informed decisions.
[ii]Pew Charitable Trusts, How state rate limits affect payday loan pricing (2014), accessed September 9, 2019 from https://www.pewtrusts.org/en/research-and-analysis/fact-sheets/2014/04/10/how-state-rate-limits-affect-payday-loan-prices
[iii] Consumer Financial Protection Bureau, Supplemental Findings on payday, payday installment, and vehicle title loans, and deposit advance products (June 2016), accessed September 9, 2019 from https://files.consumerfinance.gov/f/documents/Supplemental_Report_060116.pdf
[iv] Clarity Services, Inc., 2018 Alternative Financial Services Lending Trends, Retrieved August 27, 2019 from https://www.experian.com/assets/consumer-information/white-papers/2018-AFS-Lending-Trends-Report.pdf
[v] Veritec Solutions, LLC, Florida Trends in Deferred Presentment (2015).
[vi] See, for example, Pew Charitable Trusts, Who borrows, where they borrow and why (2012), accessed September 9, 2019 from ; Consumer Financial Protection Bureau, Payday loans and deposit advance products: A white paper of initial data findings (2013), accessed September 9, 2019 from **https://files.consumerfinance.gov/f/201304_cfpb_payday-dap-whitepaper.pdf**
[vii] Calculation is made by multiplying the maximum allowable fee for the average loan size and the number of loans for each year. Both existing research from Pew Charitable Trusts and the author's scan of major lenders' website suggest that lenders charge the maximum allowable rate.
[viii] B. Coleman & D. Davis, Perfect storm: Payday lenders harm Florida consumers despite state law (March 2016), Center for Responsible Lending, accessed September 9, 2019 from **https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crl_perfect_storm_florida_mar2016_0.pdf**
[ix] See, for example, Pew Charitable Trusts, Who borrows, where they borrow, and why (2012); Consumer Financial Protection Bureau, Payday loans and deposit advance products: A white paper of initial findings (2013); B. Coleman & D. Davis, Perfect storm: Payday lenders harm Florida consumers despite state law (March 2016), suggesting borrowers take an average of 8-10 loans per year.
[x] Storefront locations were taken from Indiana Department of Financial Institutions website and matched with their Census Tract using Census Geocoder. We used American Community Survey data from 2013-2017 for all of the census tracts in Indiana to analyze the characteristics of storefront locations.
[xi] See, for example, Pew Charitable Trusts, Who Borrows (2012). Also, Consumer Financial Protection Bureau (2013) finds that 75% of storefront payday loan borrowers are borrowing against a paycheck.
[xii] Center for Responsible Lending, Shark-free waters: States are better off without payday lending (2016), accessed September 9, 2019 from https://www.responsiblelending.org/research-publication/shark-free-waters-states-are-better-without-payday-lending
[xiii] Pew Charitable Trusts, How borrowers choose and repay payday loans (2013), accessed September 9, 2019 from http://www.pewtrusts.org/~/media/assets/2013/02/20/pew_choosing_borrowing_payday_feb2013-(1).pdf
[xiv] Urban Institute, Nine charts about wealth inequality in America (2017), accessed September 9, 2019 from https://apps.urban.org/features/wealth-inequality-charts/
[xv] K. Corbett & A. Panameno, Payday loans strip wealth from communities of color (2008), Center for Responsible Lending, accessed September 9, 2019 from https://www.responsiblelending.org/media/payday-loans-strip-wealth-communities-color
[xvi] See, for example, Center for Community Capital, North Carolina consumers after payday lending: Attitudes and experiences with credit options (2007), accessed September 9, 2019 from **https://www.nccob.gov/public/docs/News/Press%20Releases/Archives/2007/NC_After_Payday.pdf**; Pew Charitable Trust, Who Borrows, Where they borrow, and why? (2012), accessed September 9, 2019 from **https://www.pewtrusts.org/en/research-and-analysis/reports/2012/07/19/who-borrows-where-they-borrow-and-why**

[xvii] In Center for Community Capital, North Carolina consumers after payday lending: Attitudes and experiences with credit options (2007), accessed September 9, 2019 from **https://www.nccob.gov/public/docs/News/Press%20Releases/Archives/2007/NC_After_Payday.pdf, "**Finance companies appear to be picking up some business formerly served by payday lenders. Although only a few financially distressed survey respondents named finance companies as a source of credit, finance companies outranked all other options in terms of satisfaction. A tiered rate system allows North Carolina finance companies to charger higher interest rates on the first $600 to $1,000 loaned. Loans under $600 are capped at a maximum of 36%. Payday lenders North Carolina Consumers after Payday Lending 19 UNC Center for Community Capital say they cannot be profitable at that level, but as part of an overall business model that includes larger loans this appears to generate a reasonable return for finance companies. In 2006, North Carolina's 597 finance company offices made 32,586 loans under $600, representing 7% of their borrowers. The average balance was $481. The number of loans under $600 made by finance companies has grown each year since 2002 and is up 37% in four years."
[xviii] Assumes a typical loan term of 14 days, which was the median length found in Consumer Financial Protection Bureau, Payday loans and deposit advance products: A white paper of initial data findings (2013), accessed September 9, 2019 from https://files.consumerfinance.gov/f/201304_cfpb_payday-dap-whitepaper.pdf.
[xix] Lohrentz, The net economic impact of payday lending in the U.S. (2013), Insight Center for Community Economic Development, accessed September 9, 2019 from http://ww1.insightcced.org/uploads/assets/Net%20Economic%20Impact%20of%20Payday%20Lending.pdf
[xx]Assumes a typical loan term of 14 days, which was the median length found in Consumer Financial Protection Bureau, Payday loans and deposit advance products: A white paper of initial data findings (2013), accessed September 9, 2019 from https://files.consumerfinance.gov/f/201304_cfpb_payday-dap-whitepaper.pdf.
[xxi] It is likely that licensees without any storefronts operate exclusively online.
[xxii] Assumes each storefront makes an equivalent number of loans.
[xxiii] Counties that are not listed in Appendix do not have storefronts.