

American Views on Payday Loans

Survey of 1,000 Christians in 30 states

Sponsored by:

Faith for Just Lending



Methodology

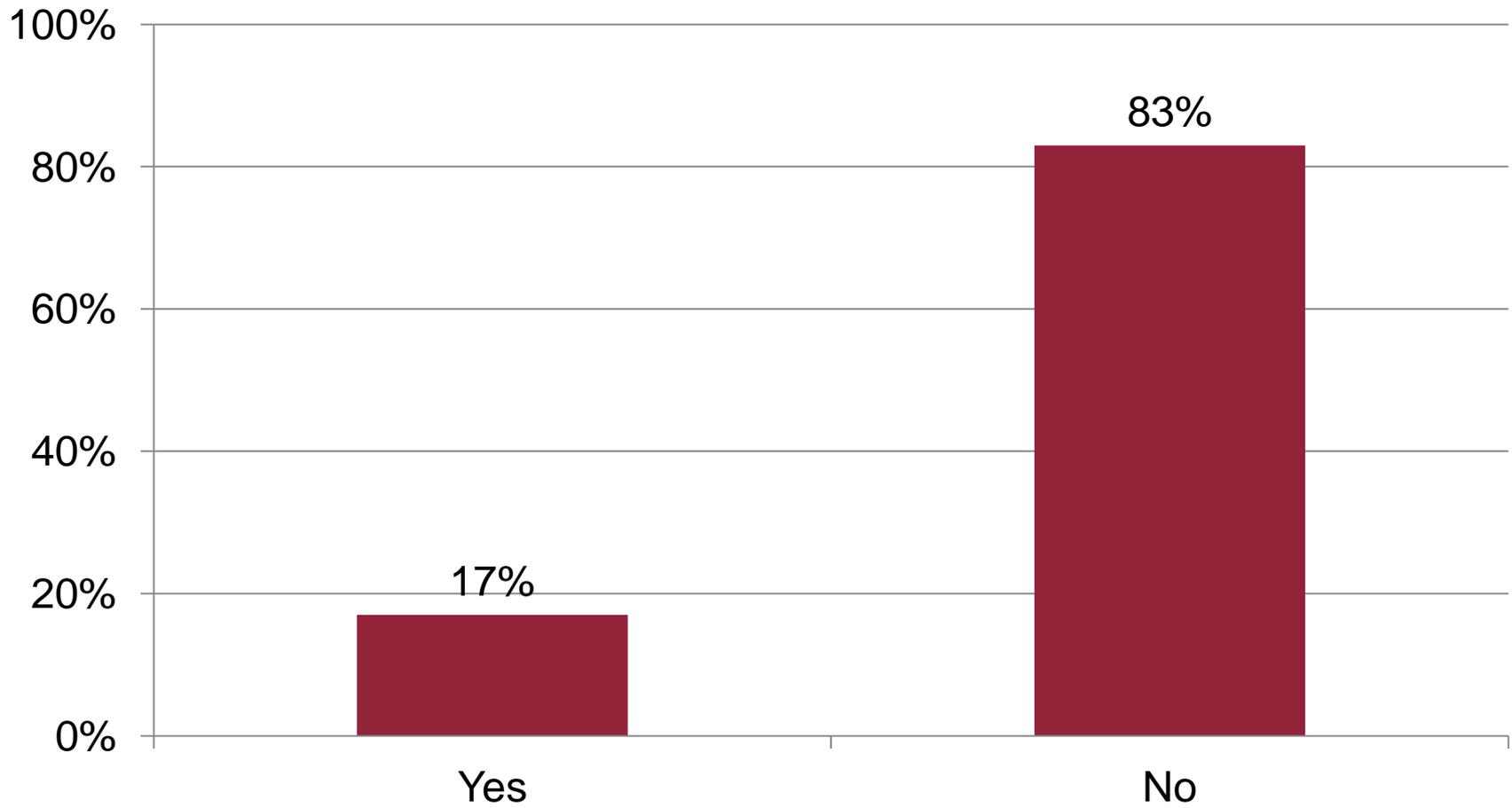
- ❑ The online survey of Americans in 30 states was conducted February 5-17, 2016
- ❑ The project was sponsored by Faith for Just Lending
- ❑ A demographically balanced sample from a national online panel was used
- ❑ This sample was screened to only include adults who indicate a Christian religious preference (Catholic, Orthodox, Protestant, or Non-denominational)
- ❑ Maximum quotas and slight weights were used for gender, region, age, ethnicity, and education to more accurately reflect the U.S. adult population
- ❑ The completed sample is 1,000 surveys
- ❑ The sample provides 95% confidence that the sampling error does not exceed $\pm 3.2\%$
- ❑ Margins of error are higher in sub-groups

Methodology

- 30 states were selected by Faith for Just Lending because they do not have meaningful regulation on payday lending (this includes Ohio and 29 states listed in *Payday Lending Abuses and Predatory Practices: The State of Lending in America & its Impact on U.S Households*, Susanna Montezemolo, September 2013, p. 24)
- The following states are included in the analysis:
Alabama, Alaska, California, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oklahoma, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Wisconsin, Wyoming

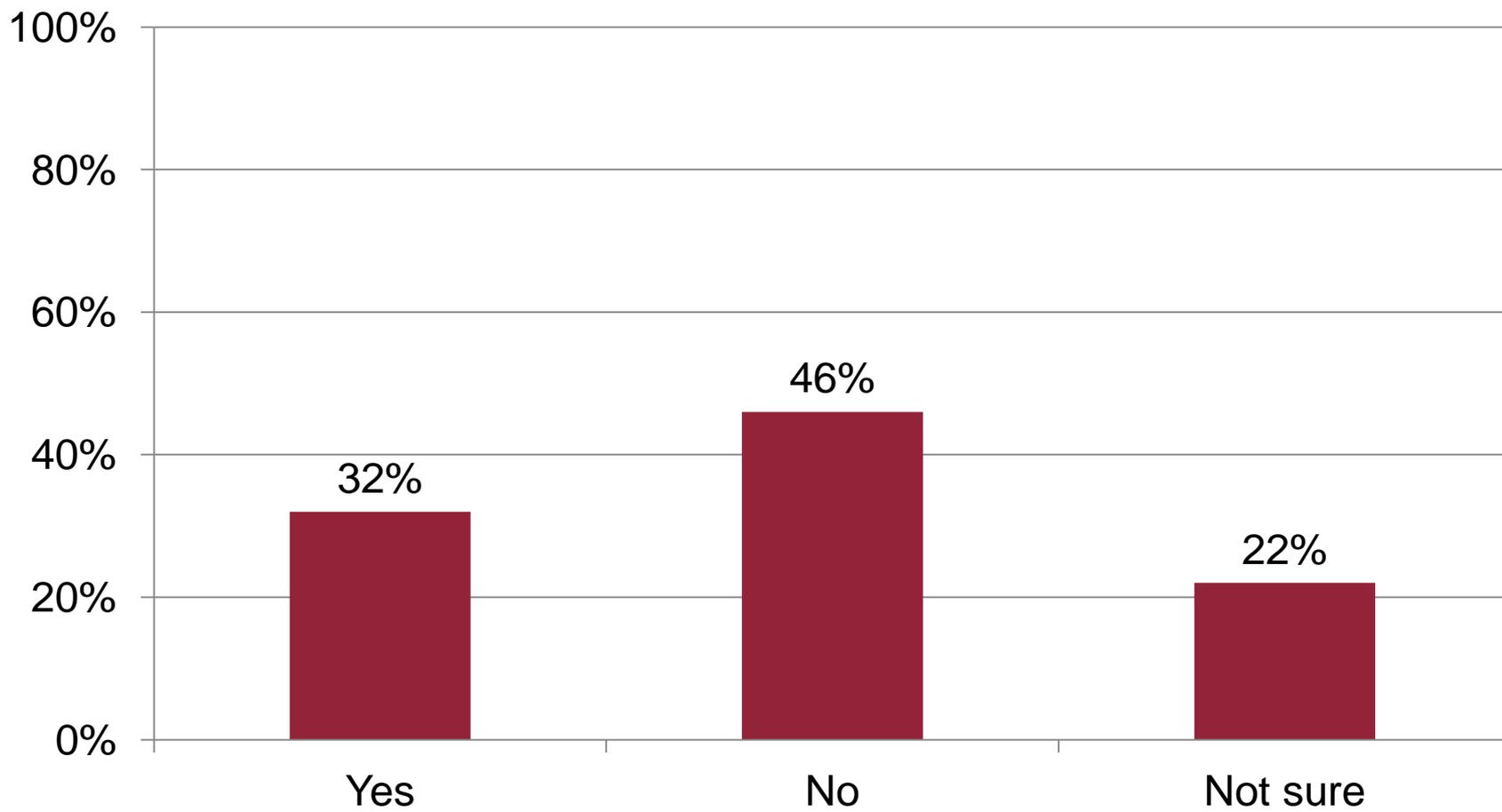
Survey Responses

17% have obtained a payday loan

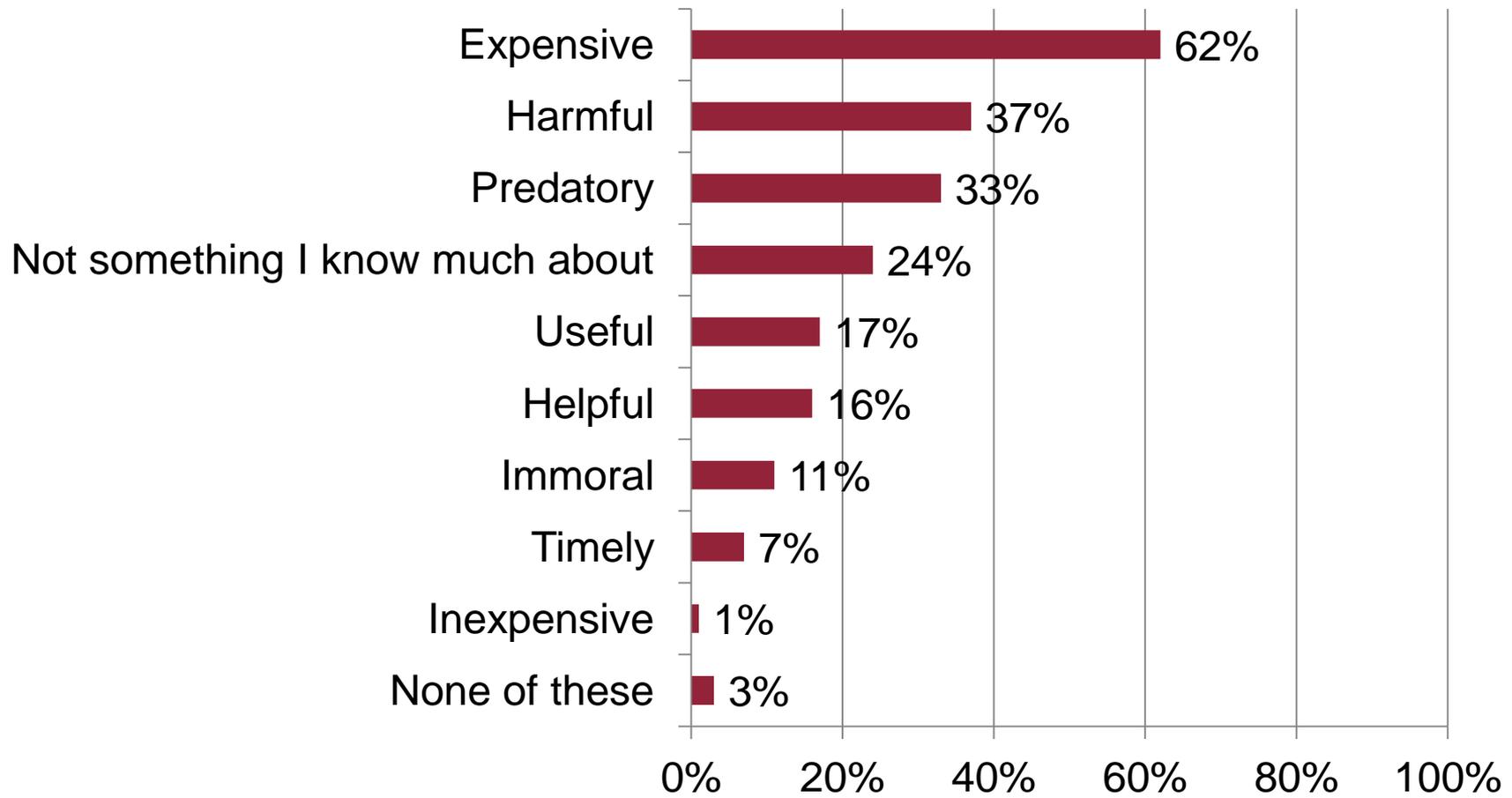


Q7: "Have you personally ever obtained a payday loan?"

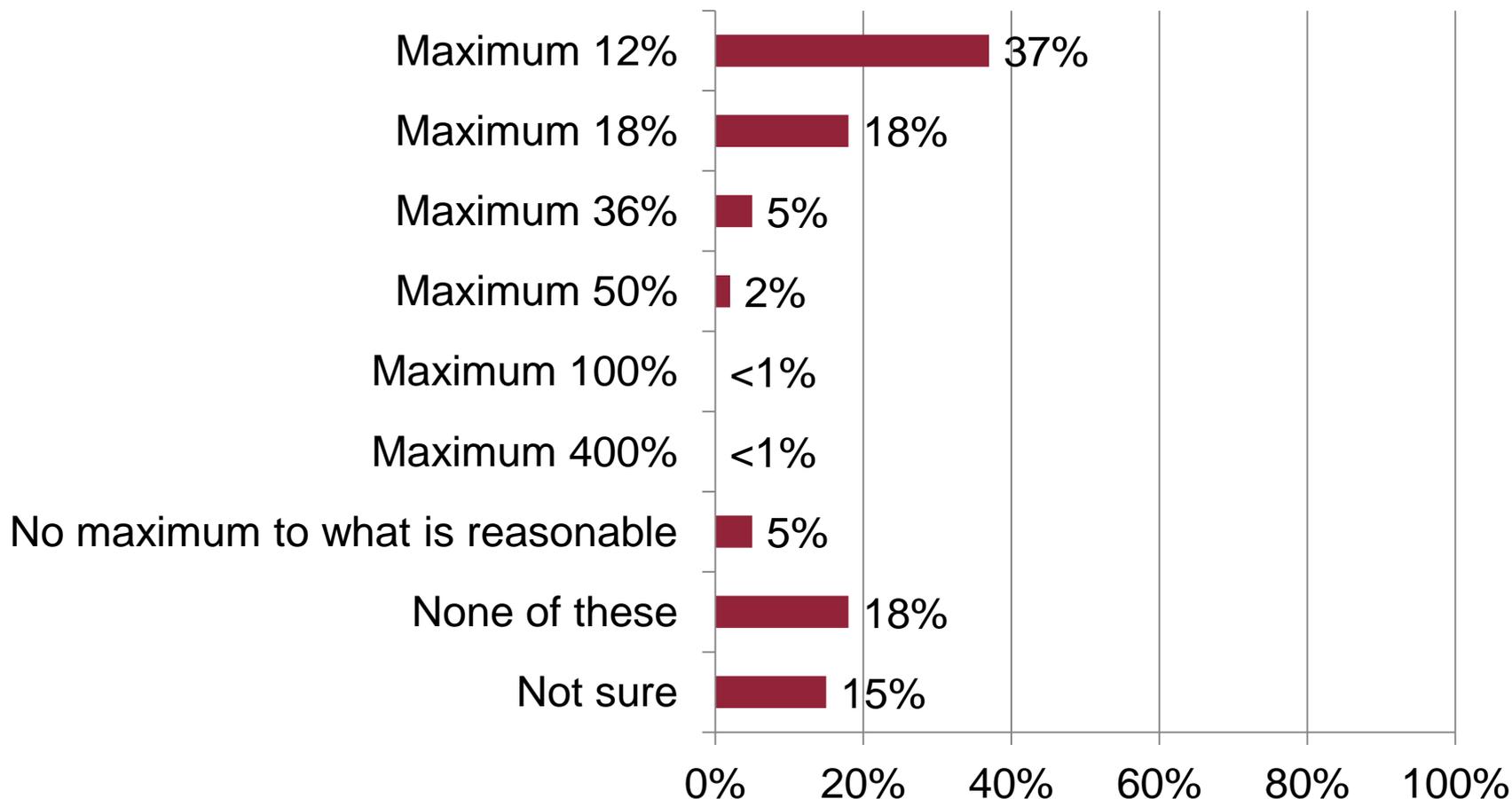
About one-third know someone who has obtained a payday loan



Most common characteristics used to describe payday loans: expensive, harmful, predatory

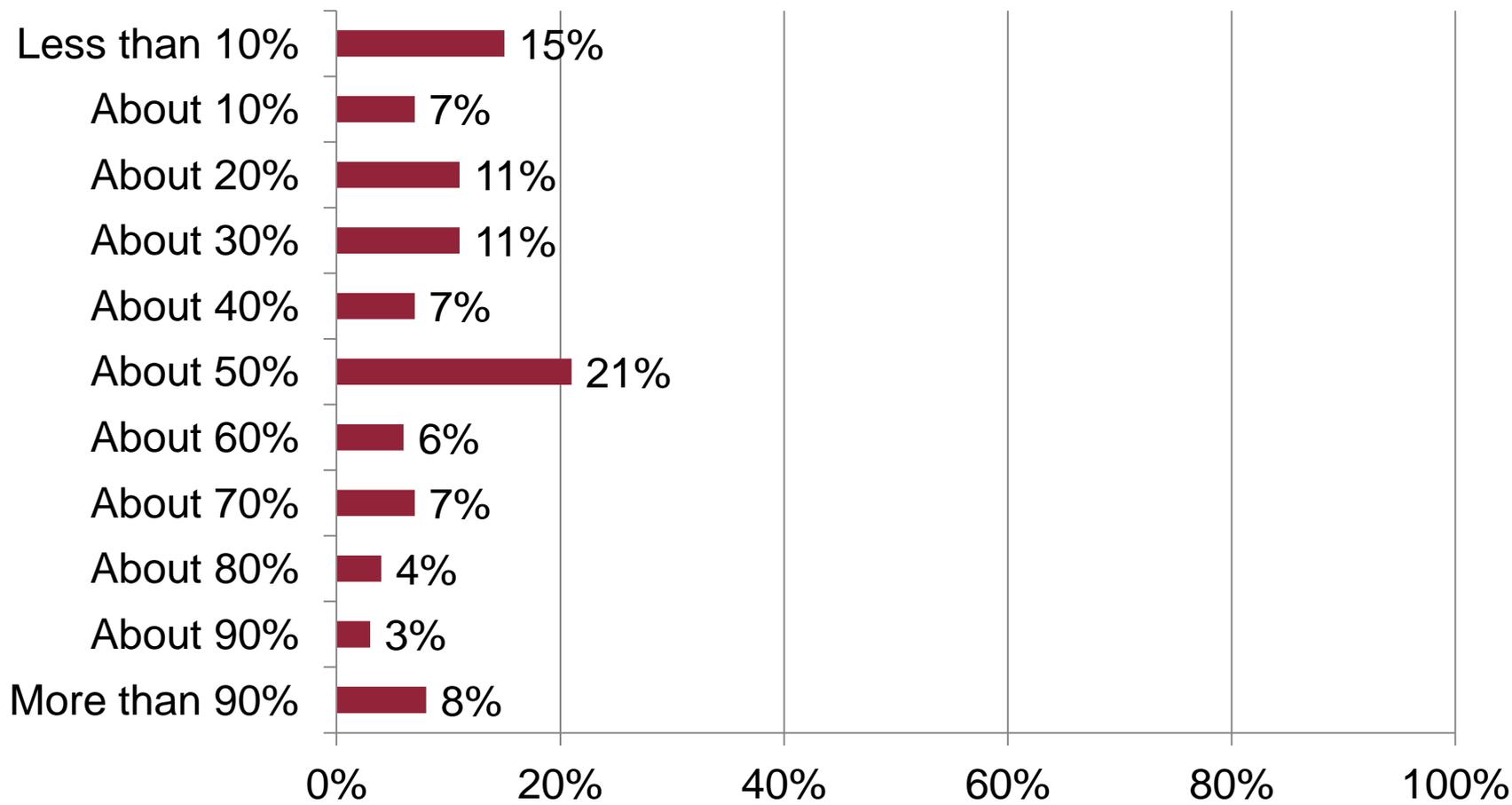


Nearly 4 out of 10 believe the maximum reasonable annual percentage rate of a loan should be 12%

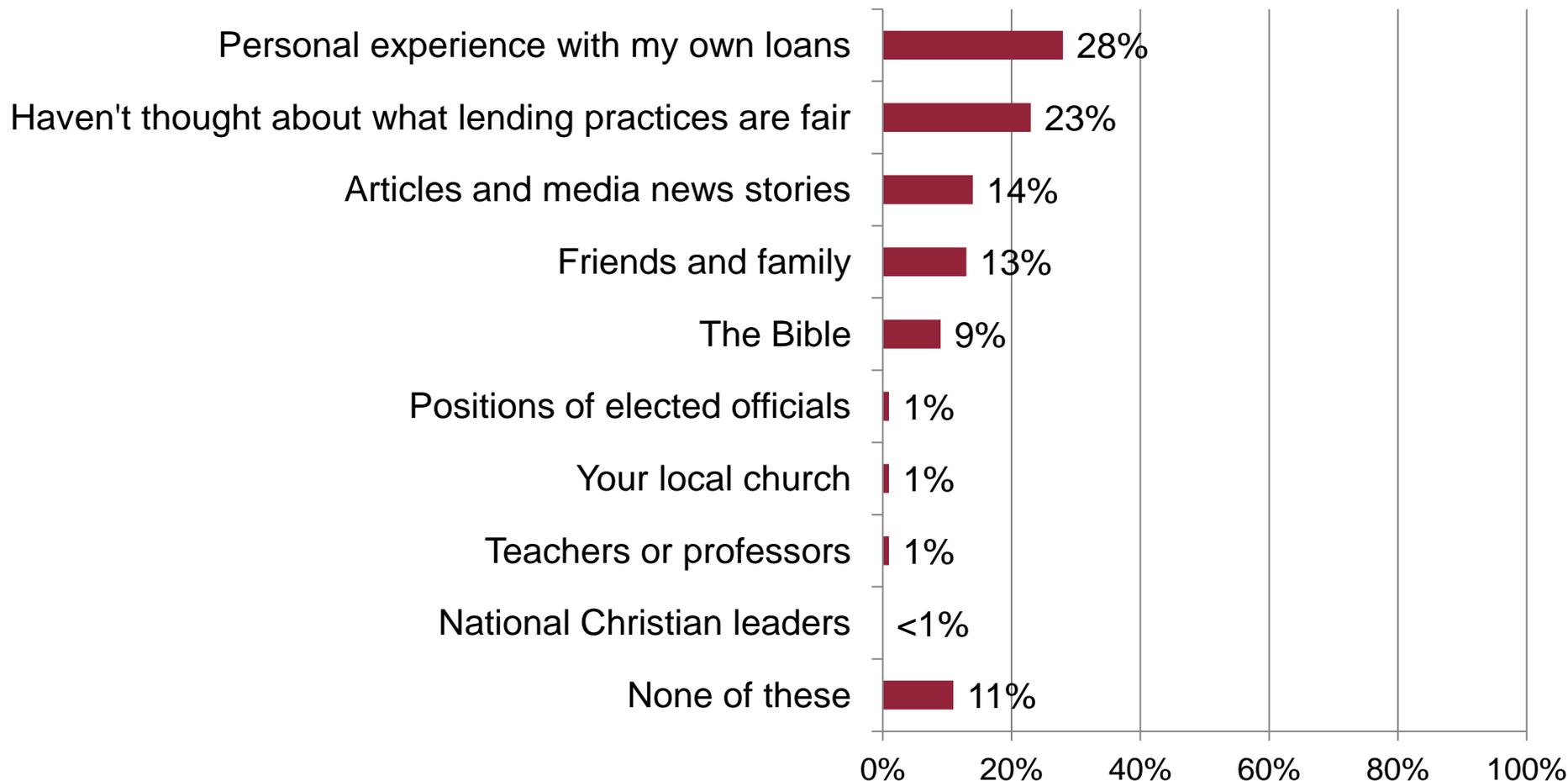


Q10: "What do you believe should be the **maximum reasonable** annual percentage rate of a loan (including fees and interest)? (Select ONE)"

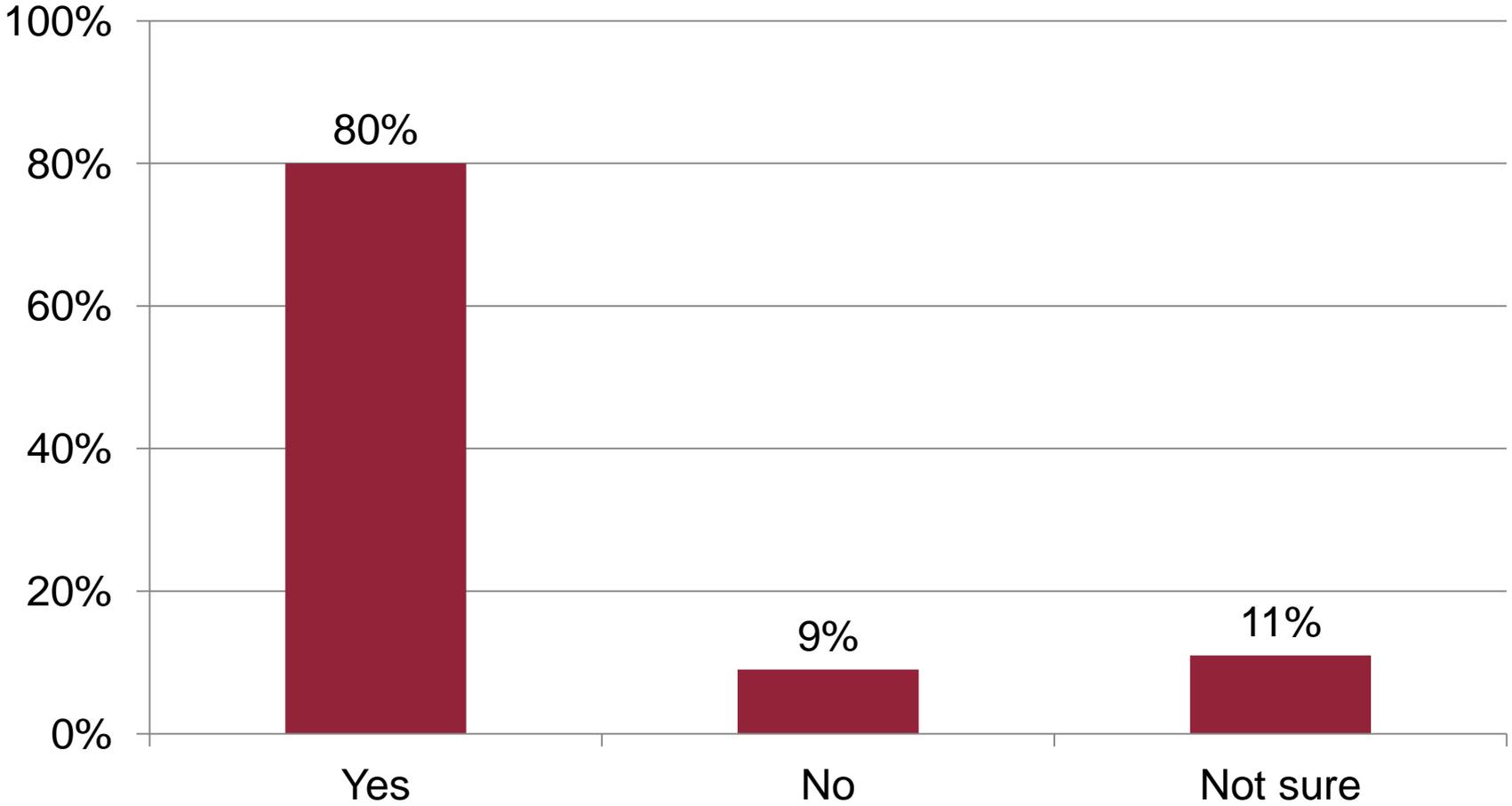
“What percentage of payday loans do you think are repeated or continued after the first 2 week loan?”



28% say their thinking on what lending practices are fair was influenced by their own person experience with loans



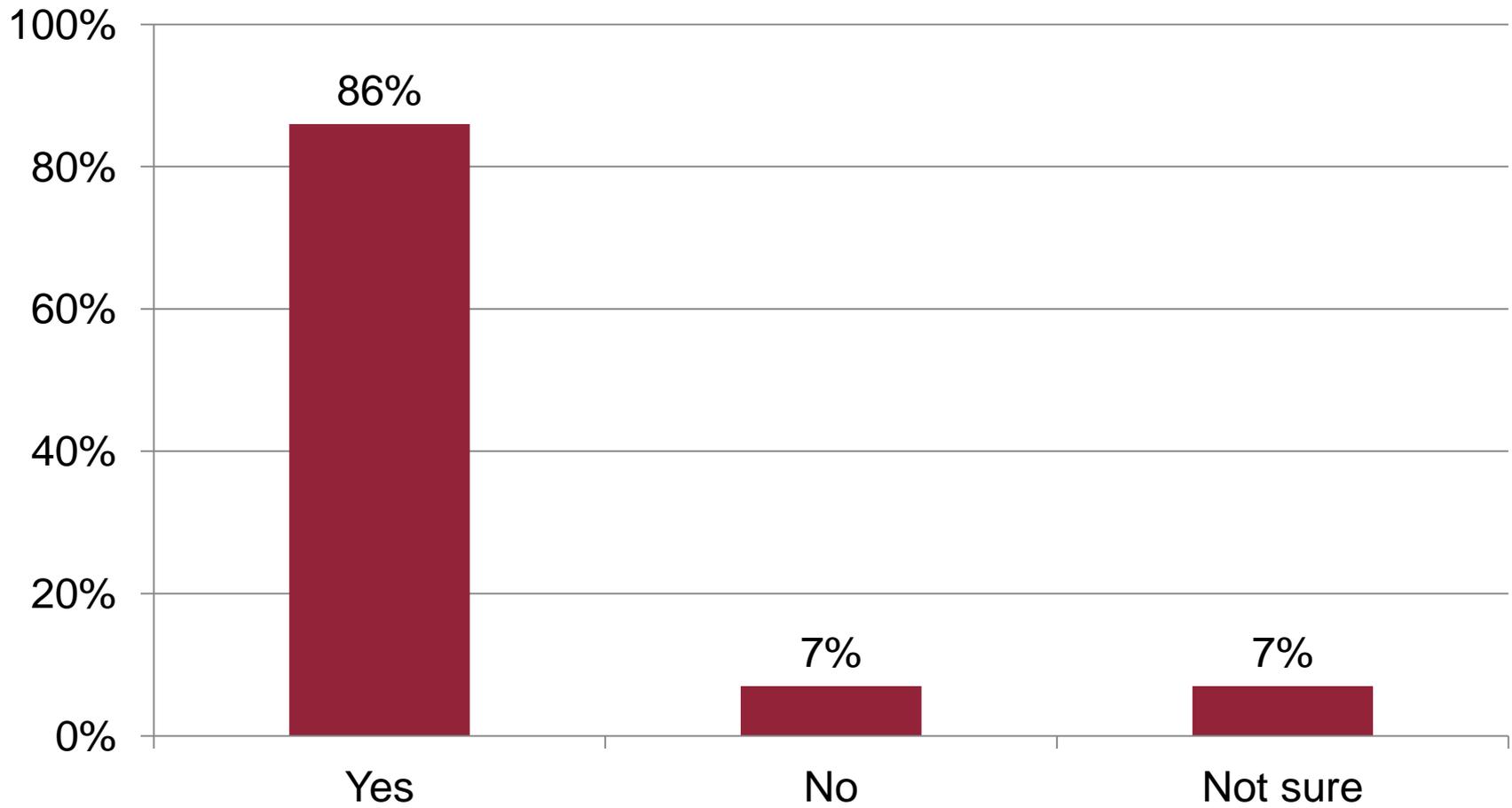
8 out 10 believe laws or regulations should protect borrowers from loans that can't be repaid



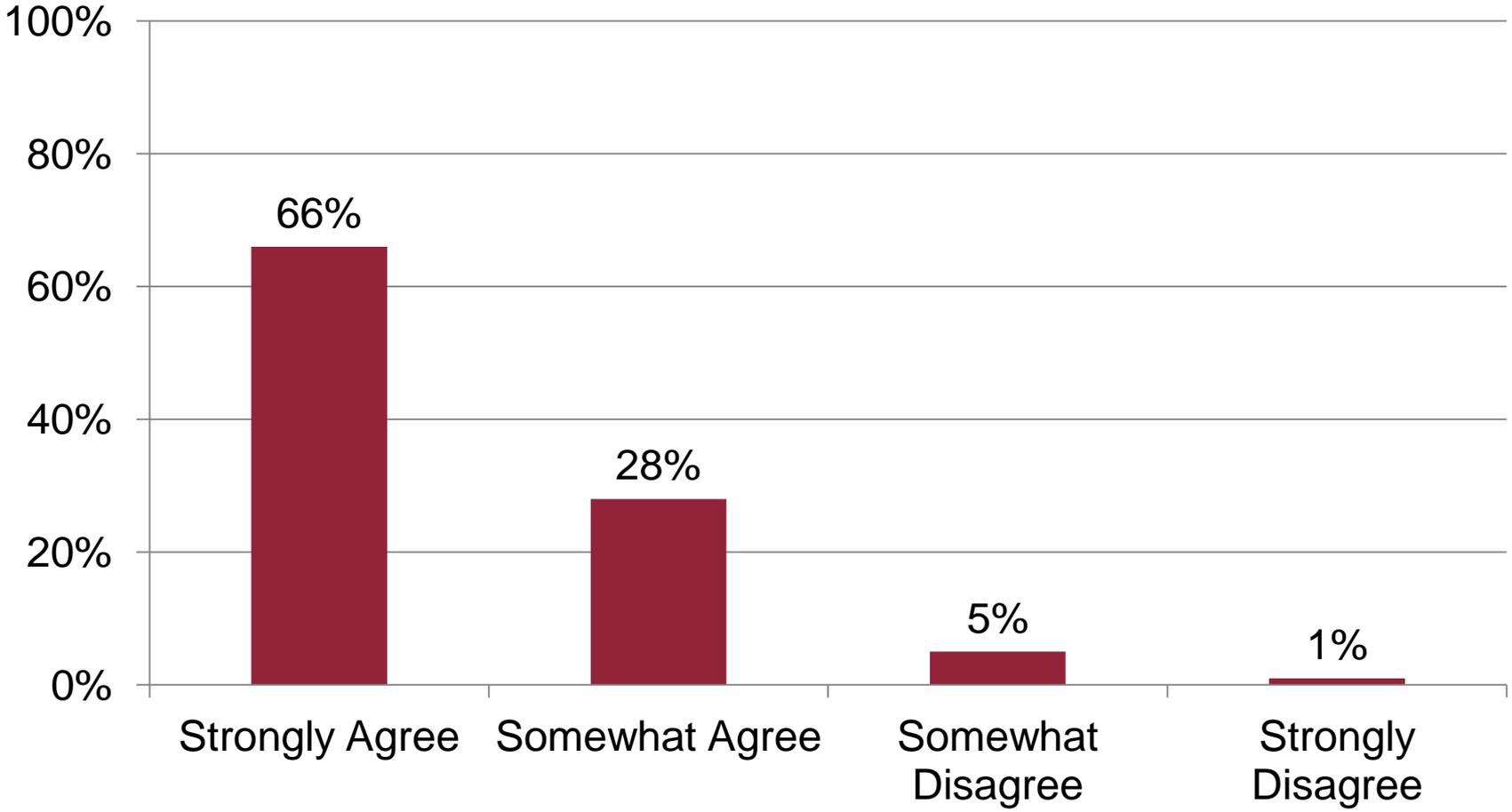
Q13: "Do you believe laws or regulations should protect borrowers from lending practices that create loans that borrowers can't realistically repay without additional loans?"



86% believe laws or regulations should prohibit lending at excessive interest rates



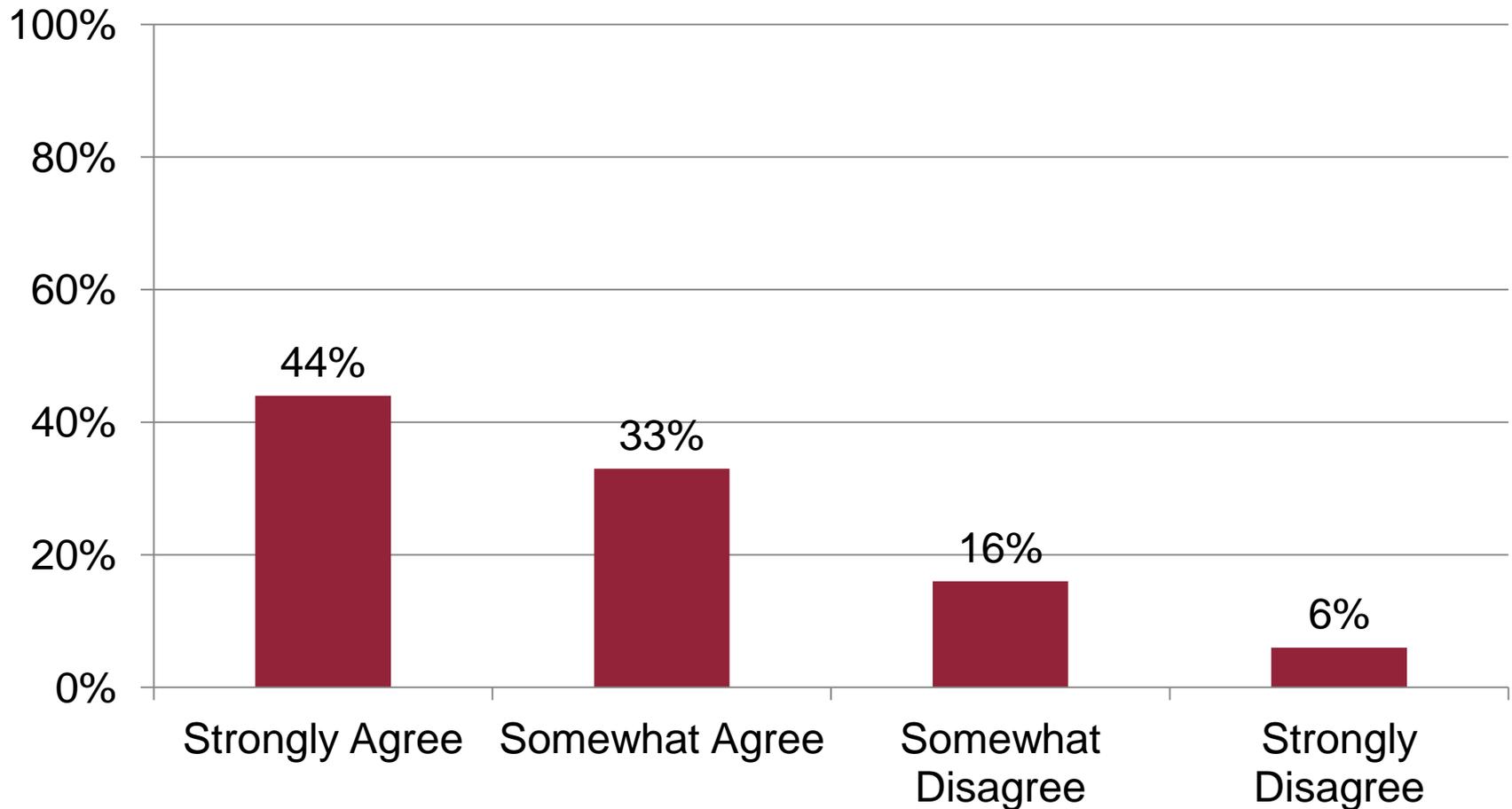
94% agree that lenders should only extend loans at reasonable interest rates based on ability to repay



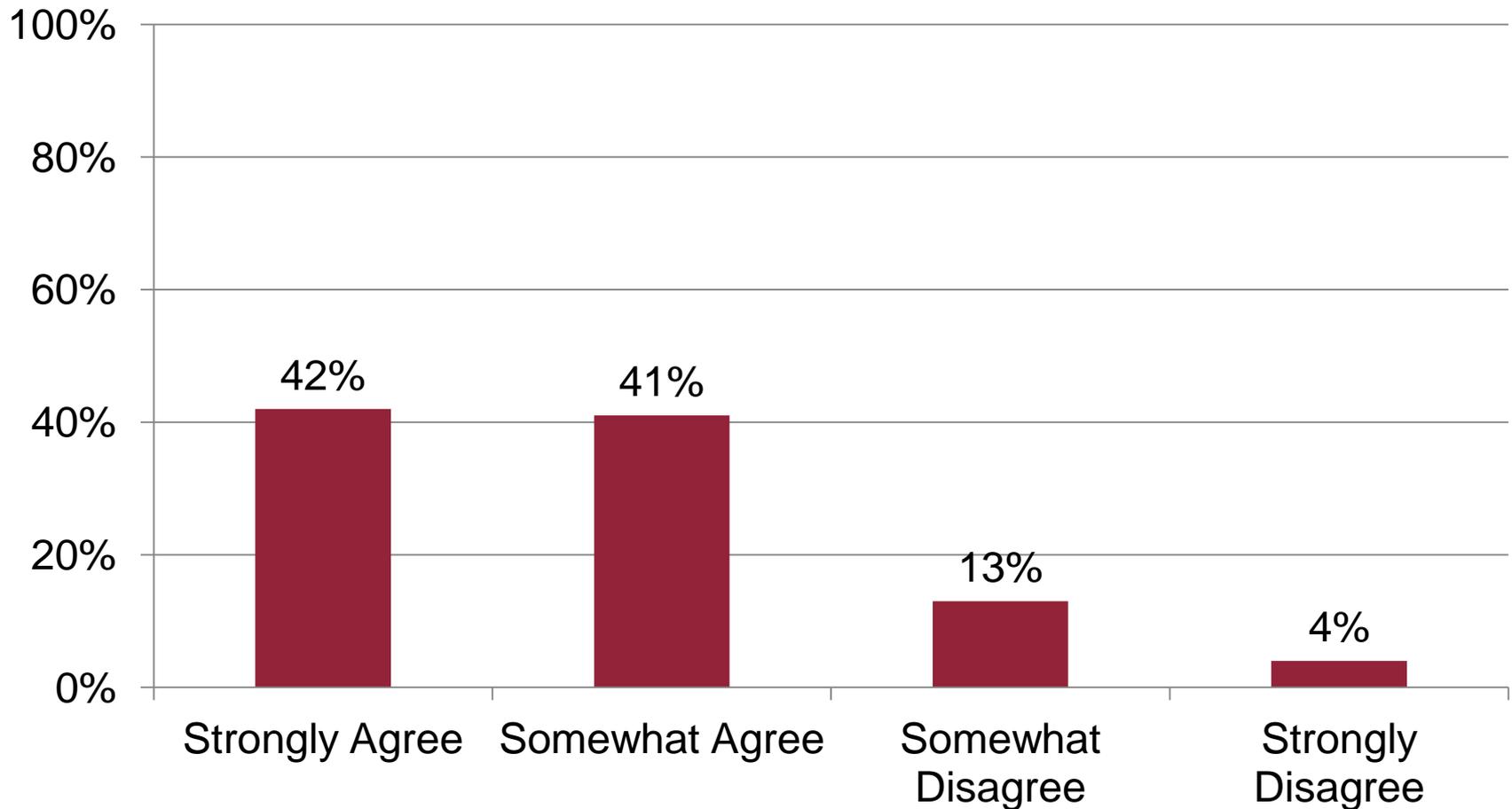
Q15: "Lenders should only extend loans at reasonable interest rates based on ability to repay within the original loan period, taking into account the borrower's income and expenses."



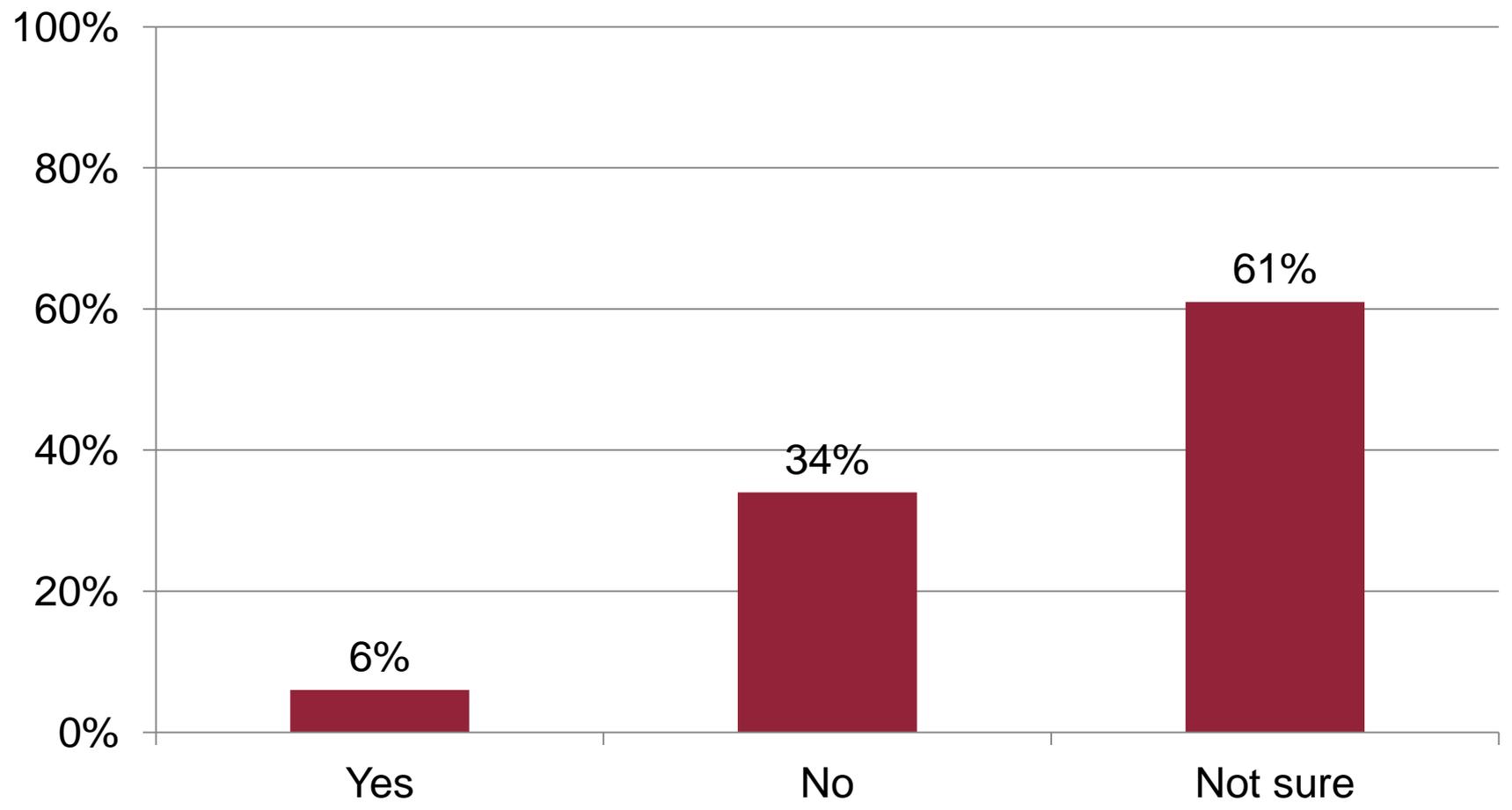
77% agree that it is a sin to loan someone money in a way that the lender gains by harming the borrower financially



83% agree churches should teach and model responsible stewardship and offer help to neighbors in times of crisis



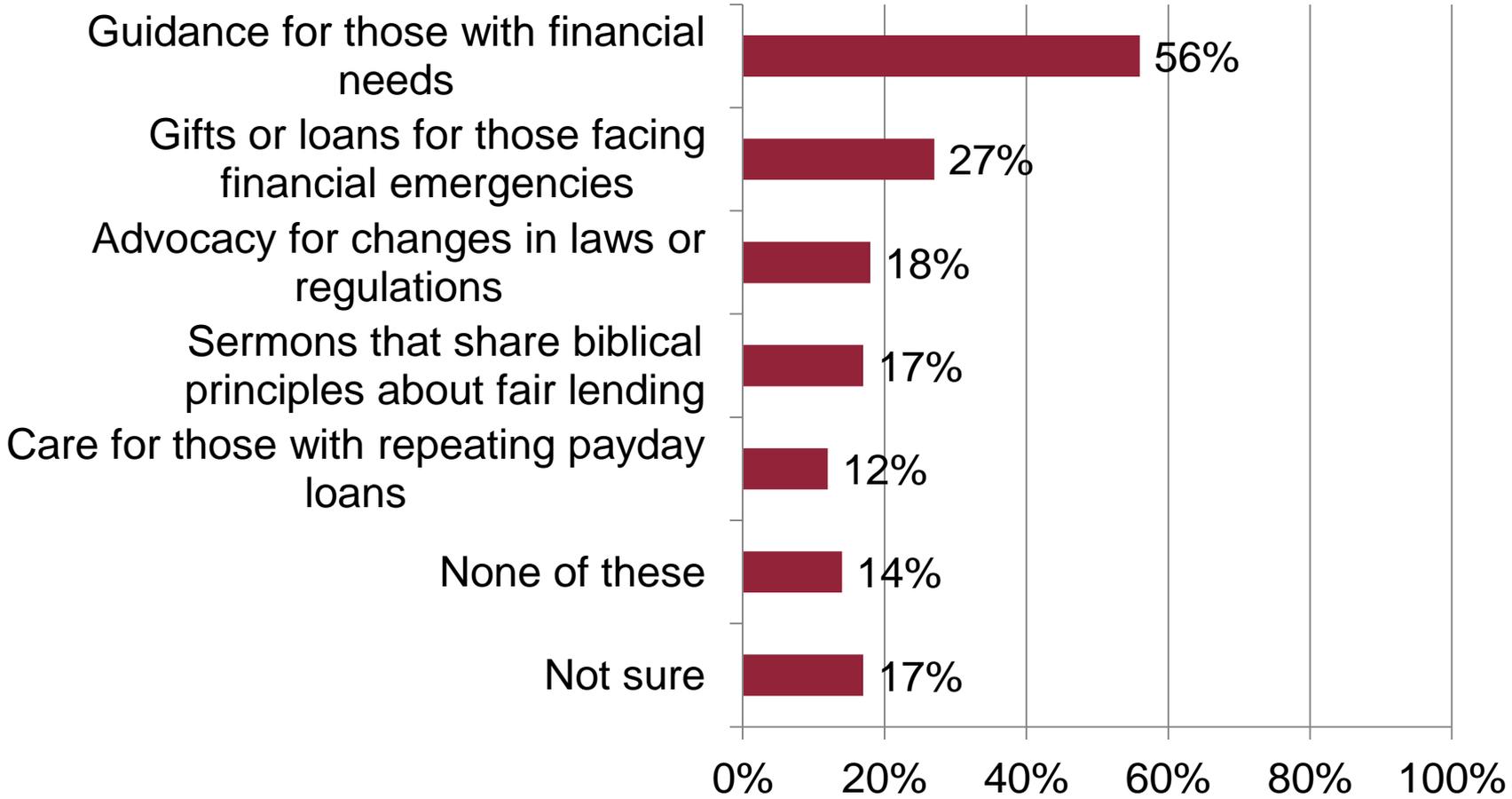
34% say their local church does not offer guidance or assistance related to payday loans; 61% are not sure



Q18: "Does your local church offer guidance or assistance related to payday loans?"



“Which, if any, of the following would you like to see your local church offer related to payday loans?”



Q19: “Which, if any, of the following would you like to see your local church offer related to payday loans? (Select all that apply)”

Significant Differences

Gender

Region

Age

Ethnicity

Education Level

Catholic/Protestant

Evangelical Beliefs

Religious Service Attendance

Personally Received Payday Loan

Significant Statistical Differences

Comparisons were made to determine if there are any significant statistical differences among gender, region of the country, age, ethnicity, and education level.

Gender	Region	Age	Ethnicity	Education Level
Male	Midwest	18-24	White	High school graduate or less
Female	South	25-34	African American	Some college
	West	35-44	Hispanic	College graduate
		45-54	Other Ethnicities	Graduate degree
		55-64		
		65+		

Notes: Region is defined by US Census locations

Significant Statistical Differences

Comparisons were made to determine if there are any significant statistical differences among denomination, Evangelical Beliefs, religious service attendance at a Christian church, and personally obtained a payday loan.

Denomination	Evangelical Beliefs	Religious Service Attendance	Personally Obtained Payday Loan
Protestant / Nondenominational	Yes	Once a week or more	Yes
Catholic	No	Once or twice a month	No
		Only on religious holidays	
		Rarely or never	

Evangelical Beliefs

- Evangelical Beliefs are defined using the NAE LifeWay Research Evangelical Beliefs Research Definition based on respondent beliefs
- Respondents are asked their level of agreement with four separate statements using a four-point, forced choice scale (strongly agree, somewhat agree, somewhat disagree, strongly disagree). Those who strongly agree with all four statements are categorized as having Evangelical Beliefs
 - The Bible is the highest authority for what I believe
 - It is very important for me personally to encourage non-Christians to trust Jesus Christ as their Savior
 - Jesus Christ's death on the cross is the only sacrifice that could remove the penalty of my sin
 - Only those who trust in Jesus Christ alone as their Savior receive God's free gift of eternal salvation

“Have you personally ever obtained a payday loan?”

- Those in the South (23%) and West (20%) are more likely to select “Yes” than those in the Midwest (9%)
- Those age 65+ are the least likely to select “Yes” (3%)
- Those age 25-34 (29%) and 35-44 (28%) are more likely to select “Yes” than those 45-54 (15%) and 55-64 (11%)
- African Americans are the most likely to select “Yes” (49%), followed by Hispanics (24%)
- Those with some college are the most likely to select “Yes” (23%)
- Protestants (20%) are more likely to select “Yes” than Catholics (12%)
- Those who attend a religious service once or twice a month (26%) are more likely to select “Yes” than those who attend once a week or more (15%) and rarely or never (16%)

“Has someone you know ever obtained a payday loan?”

- Those in the South (35%) and West (38%) are more likely to select “Yes” than those in the Midwest (26%)
- Those age 65+ are the least likely to select “Yes” (15%)
- Those age 25-34 (49%) and 35-44 (40%) are more likely to select “Yes” than those age 55-64 (27%)
- African Americans are the most likely to select “Yes” (58%)
- Hispanics (42%) are more likely to select “Yes” than Whites (26%)
- Those with some college are the most likely to select “Yes” (41%)
- Protestants (35%) are more likely to select “Yes” than Catholics (28%)
- Those with Evangelical Beliefs are less likely to select “No” (38% vs. 49%)
- Those who attend a religious service once or twice a month are the most likely to select “Yes” (45%)
- Those who have personally obtained a payday loan (79%) are more likely to select “Yes” than those who have not (23%)

“Which of the following characteristics would you use to describe payday loans?”

Helpful

- Those in the South (17%) and West (20%) are more likely to select than those in the Midwest (11%)
- Those age 18-24 (30%) and 25-34 (22%) are more likely to select than those 45-54 (14%), 55-64 (13%), and 65+ (9%)
- African Americans (22%) and Hispanics (26%) are more likely to select than Whites (12%)
- Those who some college (20%) are more likely to select than those who are high school graduates or less (13%)
- Those who have personally obtained a payday loan (35%) are more likely to select than those who have not (12%)

Harmful

- Those in the Midwest (44%) are more likely to select than those in the South (35%) and West (30%)
- Those age 45-54 (44%) are more likely to select than those 18-24 (25%), 25-34 (34%), 35-44 (34%), and 65+ (35%)
- Whites (40%) are more likely to select than Hispanics (30%)
- Protestants (41%) are more likely to select than Catholics (31%)

“Which of the following characteristics would you use to describe payday loans?” (continued)

Harmful (continued)

- Those with Evangelical Beliefs are more likely to select (44% vs. 35%)
- Those who attend a religious service once a week or more (41%) and rarely or never attend (38%) are more likely to select than those who attend only on religious holidays (23%)

Timely

- Those age 18-24 (16%) are more likely to select than those 35-44 (5%) and 65+ (5%)
- African Americans (13%) are more likely to select than Whites (6%)
- Those who have personally obtained a payday loan (13%) are more likely to select than those who have not (6%)

Useful

- Those in the South (20%) and West (20%) are more likely to select than those in the Midwest (13%)
- Those age 18-24 (30%) and 25-34 (23%) are more likely to select than those 55-64 (13%) and 65+ (10%)
- Those age 35-44 (20%) and 45-54 (17%) are more likely to select than those 65+ (10%)

“Which of the following characteristics would you use to describe payday loans?” (continued)

Useful (continued)

- African Americans (30%) and Hispanics (25%) are more likely to select than Whites (13%) and Other Ethnicities (12%)
- Those who have personally obtained a payday loan (41%) are more likely to select than those who have not (12%)

Predatory

- Males (37%) are more likely to select than females (29%)
- Those with a Bachelor's (44%) or graduate degree (47%) are more likely to select than those who are high school graduates (25%) or less and those with some college (32%)
- Those who have personally obtained a payday loan (25%) are less likely to select than those who have not (34%)

Immoral

- Those in the Midwest (14%) are more likely to select than those in the West (6%)

“Which of the following characteristics would you use to describe payday loans?” (continued)

Expensive

- Those in the Midwest (68%) are more likely to select than those in the South (59%) and West (58%)
- Those age 18-24 are the least likely to select (39%)
- Whites (65%) are more likely to select than Hispanics (54%)

Inexpensive

- Those age 25-34 (4%) are more likely to select than those 55-64 (<1%)

Not something I know much about

- Those age 65+ (32%) are more likely to select than those 25-34 (21%), 35-44 (20%), and 45-54 (20%)
- Whites (27%) and Other Ethnicities (23%) are more likely to select than African Americans (12%)
- Those who are high school graduates or less (28%) are more likely to select than those with a Bachelor's (20%)
- Those who have personally obtained a payday loan (1%) are less likely to select than those who have not (28%)

“What do you believe should be the *maximum reasonable* annual percentage rate of a loan (including fees and interest)?”

- Those in the West (23%) are more likely to select “Maximum 18%” than those in the South (16%)
- Those in the South (3%) are more likely to select “Maximum 50%” than those in the Midwest (1%)
- Those in the West (7%) are more likely to select “No maximum to what is reasonable” than those in the Midwest (3%)
- Those age 45-54 (42%) and 55-64 (42%) are more likely to select “Maximum 12%” than those 25-34 (31%) and 35-44 (30%)
- Those age 18-24 (10%), 25-34 (7%), and 35-44 (7%) are more likely to select “Maximum 36%” than those 65+ (2%)
- Those age 25-34 (4%) are more likely to select “Maximum 50%” than those 45-54 (1%), 55-64 (<1%), and 65+ (1%)
- Those age 25-34 (6%) and 45-54 (8%) are more likely to select “No maximum to what is reasonable” than those 65+ (2%)

“What do you believe should be the *maximum reasonable* annual percentage rate of a loan (including fees and interest)?” (continued)

- Other Ethnicities (10%) are more likely to select “Maximum 36%” than Whites (4%)
- African Americans (4%) and Hispanics (3%) are more likely to select “Maximum 50%” than Whites (1%)
- African Americans (10%) are more likely to select “No maximum to what is reasonable” than Whites (3%)
- Those with a Bachelor’s (42%) are more likely to select “Maximum 12%” than those with a graduate degree (28%)
- Those with a graduate degree (25%) are more likely to select “Maximum 18%” than those who are high school graduates or less (15%)
- Those with a graduate degree (10%) are more likely to select “Maximum 36%” than those who are high school graduates or less (3%)

“What do you believe should be the *maximum reasonable* annual percentage rate of a loan (including fees and interest)?” (continued)

- Those who attend a religious service only on religious holidays are the most likely to select “Maximum 18%” (33%)
- Those who attend a religious service once or twice a month (9%) are more likely to select “Maximum 36%” than those who attend rarely or never (4%)
- Those who attend a religious service once a week or more (2%) and once or twice a month (4%) are more likely to select “Maximum 50%” than those who attend rarely or never (<1%)
- Those who have personally obtained a payday loan (12%) are more likely to select “Maximum 36%” than those who have not (4%)
- Those who have personally obtained a payday loan (5%) are more likely to select “Maximum 50%” than those who have not (1%)

“What percentage of payday loans do you think are repeated or continued after the first 2 week loan?”

- Those in the West (52%) are more likely to select “About 30%” or less than those in the Midwest (37%)
- Those in the Midwest (47%) are more likely to select “About 40%” to “About 70%” than those in the West (33%)
- Those age 18-24 (76%) are most likely to select “About 30%” or less
- Those age 25-34 (48%) are more likely to select “About 30%” or less than those age 55-64 (37%)
- Those age 35-44 (43%), 45-54 (45%), 55-64 (44%), and 65+ (43%) are more likely to select “About 40%” to “About 70%” than those age 18-24 (22%)
- Those age 45-54 (45%) are more likely to select “About 40%” to “About 70%” than those age 25-34 (35%)
- Those age 25-34 (12%), 35-44 (14%), 45-54 (11%), and 55-64 (15%) are more likely to select “About 90%” or more than those age 18-24 (<1%)
- Those age 55-64 (15%) are more likely to select “About 90%” or more than those age 65+ (8%)

“What percentage of payday loans do you think are repeated or continued after the first 2 week loan?” (continued)

- Hispanics (61%) are more likely to select “About 30%” or less than Whites (39%) and African Americans (40%)
- Whites (45%) and African Americans (40%) are more likely to select “About 40%” to “About 70%” than Hispanics (28%)
- Those with a Bachelor’s degree (7%) are more likely to select “About 80%” than those with some college (3%)
- Catholics (48%) are more likely to select “About 30%” or less than Protestants (40%)
- Protestants (13%) are more likely to select “About 90%” or more than Catholics (8%)
- Those who attend a religious service only on religious holidays (8%) are more likely to select “About 80%” than those who attend once a week or more (3%)
- Those who have personally obtained a payday loan (7%) are more likely to select “About 80%” than those who have not (4%)

“Which one of the following has influenced your thinking the most on what lending practices are fair?”

- Those in the South (10%) are more likely to select “the Bible” than those in the Midwest (6%)
- Those age 65+ (21%) are more likely to select “Articles and media news stories” than those 18-24 (6%), 25-34 (8%), and 35-44 (11%)
- Those age 18-24 (24%) and 25-34 (20%) are more likely to select “Friends and family” than those 55-64 (8%) and 65+ (5%)
- Those age 35-44 (14%) are more likely to select “the Bible” than those 45-54 (7%), 55-64 (7%), and 65+ (6%)
- Those age 35-44 (35%) are more likely to select “Personal experience with my own loans” than those 65+ (23%)
- Those age 25-34 (3%) are more likely to select “Teachers or professors” than those 35-44 (0%) and 55-64 (0%)
- Those age 55-64 (26%) and 65+ (35%) are more likely to select “I haven’t thought about what lending practices are fair” than those 25-34 (14%) and 35-44 (16%)
- Hispanics (17%) are more likely to select “Friends and family” than Whites (11%)

“Which one of the following has influenced your thinking the most on what lending practices are fair?” (continued)

- Those with a Bachelor’s degree (19%) are more likely to select “Articles and media news stories” than those who are high school graduates or less (12%)
- Those with some college are the least likely to select “the Bible” (5%)
- Those with some college (33%) are more likely to select “Personal experience with my own loans” than those who are high school graduates or less (26%)
- Those with a graduate degree (4%) are more likely to select “Teachers or professors” than those who are high school graduates or less (<1%)
- Those who are high school graduates or less (28%) and have some college (24%) are more likely to select “I haven’t thought about what lending practices are fair” than those who have a Bachelor’s (15%) or graduate degree (10%)
- Protestants are more likely to select “the Bible” than Catholics (11% vs. 4%)
- Catholics are more likely to select “Teachers or professors” than Protestants (2% vs. 1%)
- Catholics are more likely to select “I haven’t thought about what lending practices are fair” than Protestants (27% vs. 21%)

“Which one of the following has influenced your thinking the most on what lending practices are fair?” (continued)

- Those with Evangelical Beliefs are more likely to select “the Bible” (24% vs. 3%)
- Those with Evangelical Beliefs are less likely to select “Teachers or professors” (<1% vs. 2%)
- Those who attend a religious service only on religious holidays (23%) are more likely to select “Articles and media news stories” than those who attend once a week or more (12%) and rarely or never (14%)
- Those who rarely or never attend a religious service (15%) are more likely to select “Friends and family” than those who attend once a week or more (10%)
- Those who attend a religious service once a week or more (15%) and once or twice a month (8%) are more likely to select “the Bible” than those who attend only on religious holidays (1%) and rarely or never attend (3%)
- Those who have personally obtained a payday loan (44%) are more likely to select “Personal experience with my own loans” than those who have not (25%)
- Those who have personally obtained a payday loan (10%) are less likely to select “I haven’t thought about what lending practices are fair” than those who have not (25%)

“Do you believe laws or regulations should protect borrowers from lending practices that create loans that borrowers can’t realistically repay without additional loans?”

- Women (83%) are more likely to select “Yes” than men (77%)
- Those age 55-64 (88%) are more likely to select “Yes” than those 25-34 (75%), 35-44 (76%), and 45-54 (79%)
- Those who rarely or never attend a religious service are the most likely to select “Yes” (86%)

“Do you believe laws or regulations should prohibit lending at excessive interest rates?”

- Women (88%) are more likely to select “Yes” than men (82%)
- Those age 65+ (91%) are more likely to select “Yes” than those 18-24 (73%), 25-34 (83%), 35-44 (84%), and 45-54 (84%)
- Those who are high graduates or less (87%) and have some college (88%) are more likely to select “Yes” than those who have a Bachelor’s (80%)
- Those who rarely or never attend a religious service are the most likely to select “Yes” (93%)

“Lenders should only extend loans at reasonable interest rates based on ability to repay within the original loan period, taking into account the borrower’s income and expenses.”

- Whites (95%) and Other Ethnicities (99%) are more likely to agree than Hispanics (90%)
- Those who are high school graduates or less (96%) are more likely to agree than those with a graduate degree (89%)

“It is a sin to loan someone money in a way that the lender gains by harming the borrower financially.”

- Those age 45-54 (80%), 55-64 (83%), and 65+ (83%) are more likely to agree than those 25-34 (67%)
- Those with Evangelical Beliefs are more likely to agree (85% vs. 75%)
- Those who attend a religious service once a week or more (82%) are more likely to agree than those who attend once or twice a month (69%) and rarely or never (76%)

“Churches should teach and model responsible stewardship, offering help to neighbors in times of crisis.”

- Those in the South (87%) are more likely to agree than those in the Midwest (82%) and West (78%)
- Those age 35-44 (89%) are more likely to agree than those 18-24 (75%) and 25-34 (80%)
- Those with a graduate degree (89%) are more likely to agree than those with a Bachelor's (79%)
- Protestants are more likely to agree than Catholics (86% vs. 78%)
- Those with Evangelical Beliefs are more likely to agree (94% vs. 79%)
- Those who attend a religious service once a week or more (86%) are more likely to agree than those who rarely or never attend (79%)

“Does your local church offer guidance or assistance related to payday loans?”

- Those age 18-24 (16%) are more likely to select “Yes” than those age 35-44 (6%), 45-54 (5%), 55-64 (3%), and 65+ (4%)
- African Americans (12%) are more likely to select “Yes” than Whites (4%)
- Those with some college (8%) or a Bachelor’s (7%) are more likely to select “Yes” than those who are high school graduates or less (3%)
- Protestants are more likely to select “Yes” than Catholics (7% vs. 2%)
- Those with Evangelical Beliefs are more likely to select “Yes” (11% vs. 4%)
- Those who attend a religious service once a week or more (10%) are more likely to select “Yes” than those who attend only on religious holidays (2%) and rarely or never attend (2%)
- Those who have personally obtained a payday loan (10%) are more likely to select “Yes” than those who have not (5%)

“Which, if any, of the following would you like to see your local church offer related to payday loans?”

Sermons that share biblical principles about fair lending

- African Americans (24%) are more likely to select than Whites (16%)
- Those with a graduate degree (27%) are more likely to select than those who are high school graduates or less (15%) and have some college (17%)
- Protestants are more likely to select than Catholics (19% vs. 13%)
- Those with Evangelical Beliefs are more likely to select (31% vs. 12%)
- Those who attend a religious service once a week or more (24%) are more likely to select than those who attend only on religious holidays (10%) and rarely or never (11%)

Guidance for those with financial needs

- Those age 55-64 (63%) are more likely to select than those 45-54 (53%)
- Those with a Bachelor's (63%) are more likely to select than those who are high school graduates or less (53%)
- Protestants are more likely to select than Catholics (60% vs. 51%)
- Those with Evangelical Beliefs are more likely to select (66% vs. 53%)

“Which, if any, of the following would you like to see your local church offer related to payday loans?” (continued)

Care for those with repeating payday loans

- Those with Evangelical Beliefs are more likely to select (17% vs. 11%)
- Those who have personally obtained a payday loan (18%) are more likely to select than those who have not (11%)

Gifts or loans for those facing financial emergencies

- Those age 18-24 (35%), 25-34 (27%), 35-44 (37%), and 45-54 (27%) are more likely to select than those 65+ (18%)
- African Americans (41%) are more likely to select than Whites (24%) and Hispanics (25%)
- Other Ethnicities (36%) are more likely to select than Whites (24%)
- Protestants are more likely to select than Catholics (29% vs. 22%)
- Those who have personally obtained a payday loan (41%) are more likely to select “Yes” than those who have not (24%)

“Which, if any, of the following would you like to see your local church offer related to payday loans?” (continued)

Advocacy for changes in laws or regulations

- African Americans (24%) and Hispanics (22%) are more likely to select than Whites (15%)
- Those with a graduate degree (29%) are more likely to select than those who are high school graduates or less (16%) and have some college (17%)

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