

# Economic Impact of the Payday Lending Industry - Michigan -

Charles River Associates conducted a study analyzing the economic impact of the payday loan industry in the states with storefront locations and nationally. The impacts were assessed in terms of total output (or sales volume), total value added (or gross regional product), taxes, and employment supported by the payday lending industry.

## Key Findings:

- In addition to being a source of credit to many consumers, the payday loan industry makes significant contributions to the U.S. and state economies.

<b>Total Economic Impact - Michigan</b>			
<b>Value Added To GDP</b>	<b>Employment (# of FTE employees)</b>	<b>Labor Income (Employee Compensation)</b>	<b>Taxes</b>
\$135.0 million	2,073	\$35.4 million	\$3 million

- The payday lending industry supported the production of goods or the provision of services estimated to value approximately \$198.0 million, contributing \$135.0 million to the U.S. Gross Domestic Product (“GDP”).
- The payday lending industry supported the employment of 2,073 people, of which 1,583 employed directly in 645 storefront locations, and 489 through jobs required to produce the goods or services the payday lending industry or its employees purchased from other firms.
- The total compensation of the people working directly in the storefront locations was \$35.4 million. In addition, the payday lending industry contributed to the compensation of other people hired by the other firms it supported.
- The payday lending industry contributed directly at least \$3 million in local/state and federal taxes. In addition, the payday lending industry contributed to taxes raised on other goods/services, employment it supported.

Note: Findings based on 2012 data.

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