

# Economic Impact of the Payday Lending Industry - United States -

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 - United States</b>			
<b>Value Added To GDP</b>	<b>Employment (# of FTE employees)</b>	<b>Labor Income (Employee Compensation)</b>	<b>Taxes</b>
\$7.1 billion	70,275	\$1.4 billion	\$142 million

- The payday lending industry supported the production of goods or the provision of services estimated to value approximately \$9.5 billion, contributing \$7.1 billion to the U.S. Gross Domestic Product ("GDP").
- The payday lending industry supported the employment of 70,275 people, of which 46,904 employed directly in 19,090 storefront locations, and 23,371 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 \$1.4 billion, or about \$30,011 per employee. 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 \$142 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.

*Highlights prepared by:*  
Community Financial Services Association of America  
<http://cfsaa.com/>